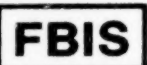


JPRS 82076

26 October 1982

# Near East/North Africa Report

No. 2647



FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 October 1982

## NEAR EAST/NORTH AFRICA REPORT

No. 2647

## CONTENTS

## INTER-ARAB AFFAIRS

- Arab Journalist Discusses Freedom in Arab Press  
(Riyad Najib al-Rayyis Interview; SADA AL-USBU',  
10 Aug 82) ..... 1
- PLO Official on Asian Tour  
(Ali Fayyad Interview; THE NATION REVIEW, 30 Aug 82) . 10

## OPEC AFFAIRS

- Nature of Oil Market, Effect on Policies  
(AN-NAHAR ARAB REPORT & MEMO, 11 Oct 82) ..... 13

## PERSIAN GULF AFFAIRS

- Unified Labor Policies Sought  
(ARABIA, Sep 82) ..... 18
- Economic Coordination Among Gulf States  
(ARABIA, Sep 82) ..... 19
- GCC Unified Trade Relations  
(AN-NAHAR ARAB REPORT & MEMO, 13 Sep 82) ..... 20

## AFGHANISTAN

- Tribal Elders Praise Government Aid Programs  
(KABUL NEW TIMES, 22 Sep 82) ..... 21
- Mujahedin Destroy Government Military Convoy  
(DAWN, 8 Oct 82) ..... 23
- Briefs  
Afghan Communists Blockading Shi'a Areas 24

## EGYPT

New Economics Ministers Present Views, Programs ( 'Abd-al-Rahman 'Aql; AL-AHRAM, various dates) .....	25
Investment Minister Discusses Development Domestic Economy Czar Speaks	
Deterioration in Medical Services, Facilities Reviewed (Various sources, various dates) .....	34
Health Fee Problems Analyzed, by Suhayr al-Husayn Unsanitary Hospital Conditions, by Zaynab Hamdi	
Report on Women's Role in Work Force, Family Discussed (Ahmad Nasr al-Din; AL-AHRAM, various dates) .....	53
Former Agrarian Reform Architect Analyzes Land Distribution (Sayyid Mar'i Interview; MAYU, 30 Aug 82) .....	61

## IRAN

Weekly Bulletin Editorializes on Internal Political Affairs (IRAN PRESS DIGEST, 26 Sep 82) .....	67
Hojjatis in Cabinet Justice Ministry Problems Resumption of Activities by Parties Activities of Anti-revolutionaries Open Letter From Freedom Movement	
Paper Says Lebanon Will Become 'America's Afghanistan' (Muhammad Salman Tawhidi; TEHRAN TIMES, 30 Sep 82) ....	73
Trade With Bulgaria To Reach \$500 Million (TEHRAN TIMES, 30 Sep 82) .....	75
Briefs Albanian Envoy	76

## ISRAEL

Massacre Controversy Splits Religious Community (Rochelle Furstenberg; THE JERUSALEM POST, 1 Oct 82) ..	77
Position of Koor Industries Discussed (Macabee Dean; THE JERUSALEM POST, 22 Sep 82) .....	79
Coal Use Strong in Electric Power Industry (David Rudge; THE JERUSALEM POST, 22 Sep 82) .....	81



Planning of Efrat Settlement Discussed (Judy Siegel Itzkovich; THE JERUSALEM POST MAGAZINE, 17 Sep 82) .....	82
JORDAN	
Briefs	
Loan From West Germany	85
KUWAIT	
Oil Minister Calls for Strong National Companies in OPEC (AN-NAHAR ARAB REPORT & MEMO, 13 Sep 82) .....	86
Amir Accuses OPEC States of Aggravating Oil Crisis (AN-NAHAR ARAB REPORT & MEMO, 20 Sep 82) .....	88
Government Action To Deal With Stock Market Crisis Noted (AN-NAHAR ARAB REPORT & MEMO, various dates) .....	91
Reforms Promised	
Forward Dealings Halted	
Crisis Indications Worsen	
LEBANON	
National Movement Official Interviewed (Karim Murawwa Interview; AL-HAWADITH, 27 Aug 82) .....	94
Problems Cited in Restarting al-Zahrani Refinery ('Adnan Karimah; AL-HAWADITH, 10 Sep 82) .....	97
MAURITANIA	
Development Projects Noted (AFRICA DIARY, 11-17 Jun 82) .....	100
MOROCCO	
Moroccan Press Assessed (Talhah Jabril; AL-SHARQ AL-AWSAT, 3 Aug 82) .....	101
Status of Expatriates Examined (al-Salami al-Hasani; AL-DUSTUR, 30 Aug 82) .....	104
SUDAN	
Briefs	
Sino-Sudanese Cooperation	107
Sugar Factories Renovation	107
Sorghum for Darfur	107
Fodder, Artificial Insemination	108
Soya Beans Crop	108
Numayri Promotes Officers	108

SYRIA

Opposition Leader Interviewed on Stance Toward Asad's Regime (Hammud al-Shufi Interview; AL-DUSTUR, 13 Sep 82) .....	109
---	-----

TUNISIA

Anti-Jewish Incidents Reported in South (AFRICA AFP, 5 Oct 82) .....	114
---	-----

UNITED ARAB EMIRATES

Central Bank Plans To Transform Abu Dhabi Into Financial Center (AL-MUSTAQBAL, 11 Sep 82) .....	116
--	-----

## INTER-ARAB AFFAIRS

### ARAB JOURNALIST DISCUSSES FREEDOM IN ARAB PRESS

Manama SADA AL-USBU' in Arabic No 570, 10 Aug 82 pp 16-21

[Report on an Interview with Journalist Riyadh Najib al-Rayyis by Ahmad al-Sa'ati: "Riyad al-Rayyis Tells Arab Citizens, Not To Read Arabic Newspapers!" " in Bahrain]

[Text] The Arab press decided to succumb to satiety!  
In these bad times the only thing we can do is change.

My relationship with this man began some years ago through [the column] that came to us every Saturday morning from Paris. [The column], "Al-Fatrah al-Harijah" [The Critical Period] appeared in AL-MUSTAQBAL Magazine. Every time I would read his column I would feel that the man was living in our midst and that he was writing from the shores of the Gulf, not from the balconies of the Champs Elysees. I've always tried to keep up with his articles because of his analyses of Gulf affairs, his expectations for this area's prospects and his knowledge of secret affairs.

This time my meeting with the well-known Arab journalist Riyadh Najib al-Rayyis was a face to face meeting. I met him when he visited Bahrain recently. Israel's invasion of Lebanon and developments in the war between Iraq and Iran had become a source of concern for the Gulf states. There were no other discussions in the Gulf but those that had to do with the political complications of these two happenings on the Arab and Gulf scenes and the new problems they create on the Arab scene.

It was difficult, but I was able to find Mr al-Rayyis and to make an appointment with him. Al-Rayyis is a very busy man, and his appointments are made in advance. This was a working visit to Bahrain, and he had to interview most officials in the state. Our appointment was at 10 p.m. in his hotel room in al-Khalij Hotel.

I did not have specific questions for al-Rayyis, and I did not know how to begin the interview. Conducting an interview with a colleague of the stature of Riyadh Najib al-Rayyis is quite difficult. However, the warm and welcoming manner with which he greeted me made me lose my diffidence, and when I shook his hand, I asked, "How is the press with you these days?"

It were as though the question was the key that started my interview with this man rolling. He replied with a deep sense of disappointment in his voice, "It is

not good. The Arab press now may be in the worst condition it has been in since its birth in the 19th century."

He paused for a while, and an expression of grief continued to hang on his face. Then he lit his pipe and inhaled deeply.

The smoke from his pipe preceded his words. Then he said as he slowly fingered his rosary, "The poor material conditions of the Arab press are merely the product of the poor material conditions of Arab politics. The press cannot survive outside the political framework that surrounds it. If the press is surrounded by freedom, it is a free press; if it is surrounded by democracy, it is a democratic press; if it is surrounded by dictatorships, it is a submissive press; if it is surrounded by terrorism, it is a cowardly press; and if it is surrounded by evil, it is an evil press."

I had slipped into this conversation without having made a plan for the interview. But I did slip into it, and I did break through to the interview. He allowed it, and I took advantage of it.

I asked him, "Are these material conditions the reason why the Arab press has immigrated?"

He said, "One can talk more realistically and make a better evaluation of the immigration of the Arab press 6 years after that experience. The Arab press immigrated first from Lebanon as a result of Lebanon's civil war early in 1976 and 1977. The Arab press immigrated with a dream, an aspiration and an illusion.

"The Arab press had a dream that it could publish freely in Europe, far away from political pressures, rancor and military terrorism.

"The Arab press aspired to publish newspapers that would follow in the footsteps of the early pioneers of the Arab press and attempt to imitate them. These early leaders of the Arab press were men like Rashid Rida, Muhammad 'Abduh, Rif'at al-Tahtawi and others; they had emigrated to Europe late in the 19th century.

"The Arab press was laboring under the illusion that in Europe it would have the freedom to publish that it was denied in its country.

"The dream became a reality when Arabic newspapers were published in Europe. However, the aspiration failed because the newspapers that came out did not follow in the footsteps of the early leaders [of the Arab press], the pioneers of freedom. Finally, the Arab press [in Europe] succumbed to the illusion, the illusion of freedom. The Arab press that came out in Europe came out as though it were being published in any Arab country. The only difference lay in the fact that the newspapers were written and edited in the capitals of Europe and then shipped to the Arab world.

"It was an illusion that publication of these newspapers in Europe would provide these newspapers with the freedom that did not exist in their country. But it turned out that if that press wanted to reach the Arab world and deal with the Arab media, it would have to submit to prevailing Arab standards which are anti-freedom, anti-criticism and anti-independent opinions. Any Arab minister of information in any Arab regime classifies [newspapers] according to whether they are for or against that Arab regime.

"Therefore, the expatriate press had to make a choice: to appease the Arab regimes and lose their character, like other newspapers; become a tool of political propaganda controlled by one regime or another; or maintain a reasonable measure of professional credibility and a relative freedom that is tolerable and be denied circulation in any Arab country and [eventually] starve to death. Because expatriate Arab newspapers will not choose to starve to death, they decided to succumb to satiety."

Riyad Najib al-Rayyis paused, and before I asked him another question, he went on to add, "This was not the only problem that faced the expatriate press. Arab regimes were no longer satisfied with these newspapers maintaining neutral positions or standing by even encouraging their efforts. Arab regimes asked and have been asking the Arab press abroad to be completely biased in favor of numerous and irreconcilable Arab points of view. Not even a miracle can reconcile these points of view. Therefore, when incentives failed Arab regimes terrorized the expatriate Arab press [into submission]."

Mr al-Rayyis paused. He seemed to be about to make an important announcement. He said in a quiet tone of voice, "As an Arab journalist I regret to say that my experience in the expatriate Arab press was not destined to last. [I regret to] say that this journalistic experiment in journalism failed. It could have been a trailblazing experiment, one that could have realized the aspirations of many writers and journalists and even Arab readers in its pursuit of some small measure of freedom."

I asked al-Rayyis, "What then is the alternative?"

He said, "Freedom. The Arab press can only be saved by restoring freedom to it, any measure of freedom. Without freedom there can be no press. It is true that what is published is well-executed and elegant, with bright colors and writers who try not to embarrass others in what they write, but this is not enough."

Then al-Rayyis sighed and said, "Because I am a journalist, the bitterness I feel is more than what others feel."

I asked Riyad Najib al-Rayyis as my interview with him began to take shape, "What can you write about under such poor material conditions?"

His eyes gleamed--a sign of interest; he put the pipe aside; and he sat up and replied, "I believe in a well-known statement that our colleague Ahmad Baha' al-Din made. He said that every journalist had to write something under all circumstances. As to what a journalist should write about under those poor conditions, the answer is that he is to continue writing the minimum that he is allowed to write and the minimum which would satisfy his sense of professionalism. A journalist's propensity for survival impels him to come up with subjects that a censor may sometimes allow, at least to show mercy for the splendid paper [on which the article has been printed]. One who writes about atheism is not [necessarily] an atheist."

Then suddenly and for no reason I asked al-Rayyis, "You are being accused of being one of those journalists who chose to succumb to satiety. What would you say to that?"



His eyes narrowed a little; the question had taken him by surprise. In fact, it had startled him. He stopped fingering his rosary, and he tried to hide the feeling of irritation that accompanied his reply. "If I had chosen to succumb to satiety, AL-MANAR, which I used to publish in London years ago would not have folded."

I interrupted him and said, "But some people say that you praise or censure some regimes for...."

He was like someone who felt he was being interrogated, and before I finished my question he said, "I am a journalist, and I am proud of my affiliation with this profession. I have not and I will not pursue another profession. In my opinion an honest journalist is one who imposes his presence and his opinion on any official or reader. Eventually, he imposes his integrity and his credibility. I believe that the reason why these wholesale charges are being made against everyone is the fact that some journalists will go to the Gulf area for a fee in order to be told what one official or another wants. To me this is totally objectionable, and this is known to readers. If I were one of those journalists, I would not have continued writing about the Gulf for over 15 years."

In an effort to change the direction of the conversation, I asked al-Rayyis, "What is your understanding of freedom for the press?"

He said, "There are no definitions for freedom. There is only one definition for freedom. Everything else [other than this one definition] is a lie and is false. Freedom is freedom. No matter what other terms you add to it such as responsible freedom, controlled freedom, legislated freedom, relative freedom or self-directed freedom. The purpose of these terms is to do away with freedom and to bury it alive. But no matter what happens, freedom will always be what we have known it to be."

He went on to add, "However, there are limits to freedom everywhere to prevent it from turning into chaos. These limits are the law, practice and experience. However, the limits set by our laws, our practices and our modest experiences in the press stifle freedom."

Al-Rayyis went on to add, "The lies that are being spoken for freedom and in its name must stop. There must be a public declaration that Arab media in general are not free, and that [this so-called freedom] is practiced by every regime according to its own understanding of the concept. No Arab is superior to another. In fact, they are distinguished from each other by their iniquities."

I was having a hard time trying to write down quickly what this veteran journalist was saying, even though I could hear a bell ringing in my head warning me about censorship. However, [I reminded myself that] he who writes about atheism is not [necessarily] an atheist.

Al-Rayyis added, "Our media reflect our poor material conditions. Therefore, my advice to the Arab reader is not to read because in the final analysis all Arab newspapers are alike. If it had not been for my work, I would not have read a single line in an Arabic newspaper."

Al-Kayyis paused, and before he continued his remarks and said what should not be said, I changed the subject of the conversation to that of the Gulf.

I asked him, "How do you see the Gulf today? What are your views about prospects for its future in light of new conditions and current circumstances?"

Al-Kayyis, who is an expert, more knowledgeable about the affairs of the area than any other person, answered my question in exhaustive detail.

"Today, more than 10 years after the Gulf states got their independence, the Gulf area is going through the most dangerous and the most critical period of its contemporary history. This is the result of three matters: first, the emergence of its economic, financial and oil capabilities; second, the attempt to establish political, military and economic cooperation among the countries of the Gulf by means of establishing the Gulf Cooperation Council; and third, the results of the war between Iraq and Iran, a war which has not come to an end and which will inevitably spill over into the shores of the Gulf.

"The emergence of the Gulf's economic potential has made the Gulf states find themselves at the center of the struggle between the superpowers who are trying to preserve a strategic center for themselves in those countries that have the largest oil reserves in the world. It was the Gulf's economic potential that placed the area in a historical and geographical setting that is beyond the comprehension of the Gulf states. The Gulf has suffered from this unique situation, and the ability of the Gulf states to control this superior position which circumstances had made possible for them also suffered.

"With the establishment of the Gulf Cooperation Council concrete evidence made it evident that the council may turn out to be the only successful experiment in the political life of the Gulf, if the Gulf states are in a position to deal with the political circumstances around them and not withdraw into the [protective] shell of the Cooperation Council.

"There is no doubt that the continued war between Iraq and Iran will have a fundamental effect on the countries of the Gulf. These countries would live in a state of constant fear of a confrontation with Iran. This fear existed during the days of the Shah, and it has continued till this day. Such a confrontation would be one between an expansionist country and small states which would be dealing with Iran from a position of weakness. This negative situation will continue unless the Gulf states recognize this confrontation, assume a strong and a bold posture on this matter and abandon a policy of hypocrisy and flattery."

Al-Kayyis left me for a little while to order some tea. Then he came back and resumed his analysis.

"Someone may say that the war between Iraq and Iran serves the interests of the Gulf states since it is draining the power of the two countries which had been causing concern for the Gulf area. Another may say that a victory for Iraq in this war will have a negative effect on the Gulf area. Such a statement is erroneous and totally misleading because Iraq can never pose a threat to Arab countries. Iraq is a Gulf country; it is an Arab country; and it is considered the northern gateway to the Arabian Gulf. The ties Iraq has with the countries of the Gulf are historical, geographical and demographic. In addition, there is a unity



of destiny and a unity of national objectives. The only thing that distinguishes Iraq from the other countries of the Gulf is the fact that it has a different political regime.

"Therefore, I call upon the countries of the Gulf collectively, and Iraq as well, to settle this historical confrontation that has gone on in the Gulf basin between them and the Iranians. The forms and modes of this confrontation have differed with the differences in circumstances and international assumptions. A settlement of this question will only come about through a cultural and a national confrontation with Iran; it will not come about through a military confrontation."

I said, "But there are some people who are proclaiming the slogan of Islamic nationalism instead of Arab nationalism. This contradicts what you are calling for, doesn't it?"

His remarks were clearly defined. "There is no such thing as Islamic nationalism. I do not believe in anything but Arab nationalism. For example, the only ties I have with the Muslims of Bangladesh or the Muslims of the Philippines are those of Islam. However, I have a thousand ties with any Arab even if he were not a Muslim. The appeal to establish the so-called Islamic nationalism is nothing but a weapon which Iran is using now to fight us. This is because Iran wants to take our principal characteristics as Arabs and dilute them in an Islamic melting pot so that our identity would be lost and our character quashed in spite of the fact that we, the Arabs, are the best nation that mankind has known. We are the ones who brought forth Islam and spread it throughout the world."

The conversation continued to be heated. I asked al-Rayyis to steer a course amidst the choppy waters of the Gulf and to talk about the security of the Gulf.

He sipped his tea and said, "As I said, there is only one danger facing the Gulf; anything else stems from it. That danger is the Iranian threat. There is no communist threat in the ideological and political sense, as some people claim there is. But it is the Iranian threat that may get the Gulf involved in the struggle between the superpowers. There is no doubt that the Soviet Union has ambitions in the Gulf. There is also no doubt that the United States considers the Gulf area an area of influence and one in which it has vital and significant interests. The two superpowers view the Gulf as an area that is linked with their interests. Therefore, in an emergency, they will defend that area in a manner that will preserve those interests. It is here that the role of the Gulf citizen would emerge; he would defend his land, his people, his religion and his heritage if he actually has a sense of his citizenship and a true affiliation to his land and his homeland. For a homeland is not just a passport or a matter of citizenship."

A small point required clarification here.

"Can the small Gulf states stand up to an international threat?"

Al-Rayyis replied calmly in carefully arranged sentences, the most prominent feature of his personality: "Yes, when the political entities among the countries of the area merge into a united framework that would give this area political and

military clout, the countries of the Gulf will be able to protect themselves. Therefore, I am asking the countries of the Gulf Cooperation Council not to confine their ambitions to the limits of the present council. Instead, they are to go beyond the council and embrace the idea of a federation that in the future could become something like the United States of the Gulf."

Because Riyadh Najib al-Rayyis is one of the few journalists who has been following the affairs and questions of the Gulf since the days that preceded independence and until now, I wanted to know how he viewed the future of the area in the post-oil era.

Al-Rayyis replied, "If the countries of the Gulf have a future, it most certainly will depend on one basic matter: developing the citizen of the Gulf and making him feel that he has a homeland to which he belongs and a land which is worthy of being defended with his life. He is to be made to feel that he has roots in that country and that these roots would always cause him to be attached to his country. I believe that developing such an individual is the greatest challenge that any political regime in the Gulf faces. Current indicators in the Gulf states are good, and there is a sincere desire to achieve this goal.

"But the question now is this: will these countries realize this goal before the oil is depleted?

"This wager depends on the ability of these regimes to develop their citizens. It depends on the citizens' ability to feel that they belong to these countries."

Since we were talking about oil, [I asked him], "Is there an area now where the Gulf states can use the oil weapon?"

"The Gulf [states] have no other weapon to use. I am afraid the days will go by quickly before they can use it. In fact, I doubt the ability of the Gulf [states] to use this weapon under current circumstances."

The news was on television, but Riyadh Najib al-Rayyis was not paying attention. It may be because he had heard the latest news directly from the sources of the news, or he may be tired of keeping up with the news.

[At any rate], I asked the well-known Arab journalist, "What do you think about the Arab situation after the Israeli invasion of Lebanon?"

He said, "Had it not been for Camp David, what happened in Lebanon would not have happened."

Before elaborating on that statement, I asked him, "But some people are saying that what happened in Lebanon was the result of the fact that the Arabs boycotted this treaty."

He retorted quickly as though I were holding him responsible, "This treaty [exemplifies] the principle of fighting or surrendering. We could have continued the existing state of no war and no peace, and we could have waited for 'a Camp David' with more favorable conditions and new assumptions. To my way of thinking, without military power we can never impose better conditions because the strong

party will always dictate its conditions to the weak party. This is what happened at camp David when Israel imposed its conditions on Egypt and drove it out of the Arab world. I believe that had it not been for this treaty, what happened in Lebanon would not have happened."

He paused for a while to light his pipe. Then he inhaled deeply--perhaps the smoke might help him overcome the stunning effect of this "investigation." Then he spoke in a voice marked by sadness, "Continued statements criticizing Arabs, the continued pumping of Arab oil to the United States, the deterioration of Arab conditions to this degree of humiliation, weakness and lowliness, the failure of all the cultural values under which we grew up and our ignorance of the fundamentals of the political game which nations accept and recognize have created a situation for the Arab citizen, who is still in his youth and is still politically naive, in which there is no alternative to change in these bad times. As to what that change would be and how it will come about, [I can't say]. When the change happens, there will be no questions."

We were both silent. The sound of the rosary beads which al-Rayyis had held in his hands all the time was the only sound that broke the silence.

It was midnight. Riyadh Najib al-Rayyis's thoughts wandered. It were as though he had gone to another place and another time. He was visibly exhausted. Before I told him goodbye, he told me jokingly, "Will you be allowed to publish what took place in this interview? I doubt it."

I said as I walked out of his room, "We will try."

#### A Personal Profile of Riyadh Najib al-Rayyis

He was born and he grew up in the home of a journalist. His father was a journalist. Ever since he was a child, his ambition was to work in the press. To him that was a big dream.

He began writing for newspapers as an amateur while he was a student. After he graduated from the College of Economics and Politics of Cambridge University in Britain in 1961, he began his career as a professional journalist. He worked as a foreign news editor in the Lebanese press. Then in 1962 he published the weekly newspaper AL-MUHARRIR, with the late Michel Abu Zahr. In 1964 this newspaper became a daily.

He went to Britain on a press mission for 1 year, during which he worked for a number of British newspapers. Then he returned to Lebanon to work as an editor and commentator on foreign affairs for the newspaper, AL-HAYAH.

In 1977 he joined AL-NAHAR where he worked for 10 years, until 1976. Then he published AL-MANAR in London in 1977, but that newspaper folded 1 year later.

Ever since then he has been writing a weekly [column] in AL-MUSTAQBAL which is published in Paris in Arabic. He is primarily concerned with Gulf affairs.

In his professional career al-Rayyis has been a traveling correspondent; this is what he has been and what he has done most of the years of his professional life.

He did not have an office in the newspapers where he was employed. Thus, he was the first journalist to go to Vietnam in 1966 to cover that war. He spent 3 months in Vietnam. He was also one of the few journalists who covered the civil war in Yemen and the war of liberation in the southern part of the Arabian Peninsula. He covered that war until South Yemen won its independence from colonialist Britain. He was also the first Arab journalist to go into Czechoslovakia after the Soviet invasion of that country in 1968. He was also the first Arab journalist to go into Musqat after Sultan Qabus took over power in 1970.

8592

CSO: 4404/637

PLO OFFICIAL ON ASIAN TOUR

Bangkok THE NATION REVIEW in English 30 Aug 82 pp 5, 6

[Interview with Ali Fayyad, special envoy of the PLO, by THE NATION, on 27 August 1982 in Bangkok]

[Text] With the PLO-Israel crisis remains unsolved and the early restoration of peace in question, people are still wondering as to what would evolve from the present situation.

Against the backdrop, Ali Fayyad, special envoy of the Palestinian Liberation Organization, has launched a diplomatic offensive to seek support from Indo-Chinese states and the countries in the Association of Southeast Asian Nations (ASEAN).

Fayyad, who visited Bangkok last week as the fourth leg of his ASEAN tour, on Friday gave an interview to THE NATION reporter on the latest situation in Lebanon and the PLO's stand on the issue. He also explained the purposes and results of his mission in the Indo-Chinese countries and ASEAN members. Here are excerpts of the interview:

**Q: WHAT IS the stand of the PLO (the Palestinian Liberation Organization) on the crisis in Lebanon?**

**A:** THE PLO will seek a political solution. We will do our best to avoid the destruction of Beirut and the killing of people through artillery shelling. We have agreed to pull out our troops from Beirut on the condition that the Israeli forces would eventually withdraw from Lebanon. We have so far sent less than 4,000 soldiers, about 3,000 of whom are members of the Palestinian Liberation Army (PLA) from Beirut to Tunisia, North Yemen, South Yemen, Iraq and Jordan.

**Q: HOW about Egypt? Have the Egyptians agreed to accept the PLO fighters?**

**A:** NO. The Egyptians said they would accept the PLO fighters on

the condition that the Americans will come up with a comprehensive settlement of the Palestinian problem.

**Q: WHAT DOES the PLO feel about the American role?**

**A:** WE FEEL that the Americans can do more for a political solution. The Americans can affect a new political solution to the Beirut crisis by taking a more impartial stand. I mean by recognizing the PLO as the representative of the Palestinian people and not to escape the fact of the rights of the Palestinian people to national independence. We are asking for a clear and open recognition from the United States.

**Q: HASNT the pull-out damaged the PLO's strength and efficiency to a large extent?**

**A:** NO, I would not say that. The battle for Beirut is not the

battle of the PLO and, actually, our main forces are not in Beirut. They are to the east of Lebanon and to the north at Tripoli. We decided not to send more troops into Beirut to avoid the destruction of our main forces which was one of the Israeli objectives in their military offensive against Lebanon.

Aside from the north and the east of Lebanon, we still keep small units of PLO's fighters in the south of Lebanon which is now occupied by the Israeli forces. The fighters, armed with RPGs, machineguns, and some mines, are waging a guerilla warfare. You know, the areas in the south are very fertile and the people, both Palestinian and Lebanese, are very cooperative with our fighters.

It's a friendly land for us and hostile territory to the Israeli



troops. Israel has now about 85,000 soldiers, excluding their air and naval forces. About 35,000 of them are now surrounding Beirut.

**Q: HOW** would you describe the situation in Beirut?

**A: WE ARE** facing a difficult situation in Beirut. Because East Beirut is under control of the Phalangists who are directed by Israeli forces while West Beirut, about 25 kms apart, is under siege by the Israeli forces. The Israeli forces bombarded it with artillery shells. The sky is controlled by the Israeli air force and the land and mountain here (pointing at a map of Lebanon) are occupied by their forces. Thus, we are in a difficult situation, not only from a military point of view, but also from a logistical point of view. I mean we have half a million of people in West Beirut who are denied water supply. That is why the PLO feels it is our responsibility to search for a political solution to the crisis.

Beirut is being bombarded by the most sophisticated weapons. During my visit to Vietnam, I told them that Beirut is suffering more than Vietnam was during their fight to drive out the American soldiers. The Americans are now using the Israeli forces to test their sophisticated weapons and Beirut is thus a piece of experiment.

**Q: SO,** the Israeli forces are doing damage mostly on the civilians, and not the PLO fighters?

**A: YES,** WE can say the Israeli forces would kill ten civilians for one Palestine fighter.

**Q: I** wonder how much the dispersal of the PLO fighters from Beirut to other Arab countries would affect the PLO's strength.

**A: I WILL** tell you. This is no secret. Before the Israeli invasion of Lebanon, we had fighters in Egypt and these belong to the Palestinian people in the Gaza Strip. We also have some battalions of fighters in Jordan and others in Baghdad.

**Q: WHAT IS** your exact position in the PLO?

**A: I AM** in charge of the Southeast Asian affairs in the Political Department. I am an assistant to Foreign Minister Sarouq Qatoni. We have our main office in Beirut, but now that the city is under

siege, we direct all the political operations from our office in Damascus.

I have served as the PLO representative in Hanoi for a period since 1976 and later moved to Laos.

**Q: WHAT** are the purposes of your recent visit to Vietnam, Kampuchea, and Laos, which started on July 23?

**A: I WENT** there to explain our situation and to ask for their support, political and material, because it is a critical moment for the Palestinian people. I mean if they support the Palestinian cause, it's time to support now, and not tomorrow.

**Q: WHAT SORT** of support are you looking from these Indochinese countries?

**A: THE MAIN** objectives of my tour of the Indochinese countries and the countries in the Association of Southeast Asian Nations (ASEAN) are: First, to ask for political support. Second, for permission to set up PLO offices in the countries we have been contacting and then for material support, especially medicines, for the affected people in Lebanon. And I got very good and positive response from all the countries I have visited. They have promised to study the PLO's demands.

**Q: DID YOU** receive better reception in Malaysia than in other ASEAN countries during the tour? Malaysia seems to be more sympathetic to the Palestinian cause than any other ASEAN countries, doesn't it?

**A: WELL,** this is a difficult question to answer. But, I can say that I was received by Prime Minister Datuk Seri Mahathir and Foreign Minister Ghazalie Shafie as well as other Muslim leaders in Kuala Lumpur. The mass media in the country also gave a very big coverage to my visit. The point I am making is that Malaysia is the only ASEAN country that has an PLO embassy.

**Q: DID** the Malaysians promise to give material support to the Palestinian people?

**A: YES,** I am very glad to say that the Malaysian people, organizations and societies are not only raising funds, but are also collecting medicines, and plasma, for the PLO. For example, one magazine

collected about US\$ one million (about 23 million baht). And the New Strait Times has raised US\$ 22,000 (about 506,000 baht).

**Q: HOW ABOUT** the Malaysian Government?

**A: I STILL** have no details, but I can say that they are preparing material aid according to the country's conditions.

**Q: HOW WERE** you received in Vietnam and the other Indochinese countries?

**A: I MET VIETNAMESE** Prime Minister Pham Van Dong and in Laos, I met President Souvanna Phouma.

**Q: ANY CHANCE** at all of arms from Vietnam?

**A: ACTUALLY,** we don't need arms from Vietnam for the moment because we are waging a guerrilla warfare and guerrilla tactics require only light weapons which we can obtain from Arab countries and the markets.

**Q: SO** the basic thrust of your visits to the Indochinese countries was to obtain political and material support, and not weapons?

**A: WEAPONS** weren't the main aim. If some countries both in the ASEAN and the Indochinese countries want to supply the PLO with arms, we will surely welcome the move.

**Q: IS THERE** any indication that this will happen soon? Did anybody tell you that their governments would give military assistance to the PLO?

**A: I HAVE** some promises.

**Q: COULD** you elaborate?

**A: WELL,** I am optimistic (laugh).

**Q: HOW ABOUT** the Thai response to your request to set up a PLO office here and to provide you with material support?

**A: FIRSTLY,** it is very important for the PLO to set up an office here. This is what the PLO considers a sign of friendship for and solidarity with the Palestinian people. Secondly, Thailand has assumed a positive stance in the ASEAN meeting in sympathizing with the Palestinian people and condemning the Israeli aggression. I feel personally satisfied with this meeting with Thai officials. Of course, we are looking forward to a promotion of our friendship by giving us a chance to be here in Bangkok.

Q: SO, HOW did the Thais reply to that?

A: THE REPLY is not negative because I did not ask them to close the Israeli Embassy here. I am just asking for the rights of the Palestinian people in expressing their views here through their office, a representation, or an embassy. Any kind of representation the Thai Government considers the most suitable to its conditions.

Q: SO, DID they say they would be willing to have a PLO office set up here?

A: THEY WILL study this request and they said they would have to consult on the issue with other partners in the ASEAN as well. As for the results of my visits to ASEAN countries, I am very happy with the development of their stances. All of them, No exception.

Q: HAS THERE any promise from Thai officials in response to the PLO's call for material support?

A: THE GOVERNMENT promised to study how to contribute to the relief programmes for refugees, both Lebanese and Palestinian. The Thais are facing the refugee problem and so I think they are sympathetic with our situation.

Q: DID YOU visit the Chinese ambassador during your stay here?

A: NO, BUT I visited the Chinese charge d'affaires. The Chinese ambassador was absent. I went there to thank the Chinese for their continued support for the Palestinian cause. China has continued its support for the PLO since Chairman Mao was alive until now. I also informed the Chinese charge d'affaires that we have already received the recent consignment of aid from China. I told him that the Palestinian people will never forget China as it is the first country to recognize PLO outside the Arab states and the first to allow the PLO to set up its embassy which is now in Peking.

Q: DURING your mission in Vietnam, did you receive any pledge from the country to provide material support for the PLO?

A: THE VIETNAMESE said they would consider how they could contribute to the Palestinian people. It takes them some time to discuss the issue in the party

central committee, you know.

Q: WHAT ARE your views about the Kampuchean problem?

A: WE SEEK support from all countries, all forces and all organizations. When Pol Pot was in power, Democratic Kampuchea closed the Israeli Embassy in Kampuchea and recognized the PLO. They also gave us moral and political support. Now that Heng Samrin has come to power, he is doing exactly the same thing.

Q: HAS VIETNAM ever supplied the PLO with military assistance in the past?

A: NO, as I said we do not need much military aid from Vietnam, but during the past five years, we have been provided with military experience by the Vietnamese. We have sent some PLO officials to learn guerrilla tactics from the Vietnamese.

Q: YOU SAID this is now the most difficult time for the Palestinian people?

A: YES, it is. But we are sure of the future. That's why we continue fighting. We believe in tomorrow and we believe in Arab countries. What I would like to point out is that it is now the historical chance for Arab countries to join the PLO in launching guerrilla warfare in the south of Lebanon against the Israeli occupants. Until this moment, it's a historical chance, but the Arab countries have not made use of the opportunity because some are hesitating, some are afraid of an Israeli reprisal against their countries, and some are afraid of the American pressure.

I am telling that the weakness of Arab countries is technology and that of the Israeli is their demand. You know, the difference between Arab and Israeli generals is that we believe in our fighters who aspire to the restoration of the Palestinian national independence.

Q: NEVERTHELESS, it seems to many people that the current situation might prompt the PLO to lower its target. I mean how do you perceive the future of your people? Where would the secular Palestinian state would be set up? On Israeli soil, despite the fact that the PLO leaders have agreed to recognize the existence of Israel?

A: I WANT to say something. The most important thing for the Palestinian people now is to keep the political prestige against Israel. And to develop this prestige, we have to carefully play politics. We are fighting to achieve our political aim through the combination of military and political campaigns. We just don't fight for the sake of fighting. I can say that now, with the Israeli invasion of Lebanon, the PLO is stronger politically and getting more and wider sympathy from the international community. And the situation will help Yasser Arafat (the PLO leader) to launch a new political offensive, despite the military difficulty facing us as you know.

Q: WHAT DOES the PLO intend to do to gain more political momentum during the upcoming Seventh Non-aligned Movement Summit Conference? Would you campaign for, say, resolutions to condemn Israel?

A: NO, WE HAVE thousands of resolutions against Israel. We have resolutions from the Islamic Conference and the Non-aligned Movement. What we need now is the implementation of the resolutions. It's now the time for all supporters and sympathisers to carry out their commitments, to realize the resolutions.

However, the Palestinian should also move in the political and diplomatic fields to force the Israeli troops to leave Lebanon. Public opinion is favourable to us. We also ask the American to start helping us not only by recognizing the PLO, but also pursuing a more open-minded policy towards the Arab people. I just ask for fair stance and understanding in the aspiration of the Palestinian people from the American. We don't hate the American people. We respect them as an advanced people and we are waiting for their voices for us just like when the American people supported the legitimate right of the Vietnamese people to their national independence. And we are glad now that the public, especially the mass media in the United States, is beginning to discuss about the Palestinian problem.



# NATURE OF OIL MARKET, EFFECT ON POLICIES

Paris AN-NAHAR ARAB REPORT & MEMO in English No 34, 11 Oct 82 pp 9-12

[Text]

If the world oil market seemed for decades to be immutable, the actions of OPEC in 1973-74 and of the market itself in 1978-79 wrought profound changes in its nature. These changes continue and each presents new challenges to both producers and consumers of oil. The following Special Survey on the changing nature of the oil market and its effects on OPEC policies is taken from a paper by Prof Robert Mabro of St Antony's College, Oxford which was delivered at last month's Oxford Energy Seminar. Prof Mabro, whose writings are well known to regular readers of this newsletter, is director of the seminar, which brings together each year energy experts in what has become over the years a leading forum for the exchange of ideas. We are grateful to Prof Mabro for his kind permission to publish his paper in two parts. The first part which follows deals with changes in the world oil market:

The characteristics of the world energy scene have changed radically in a very short period of time. In 1979/80 the major features of the oil situation were a concern about security of supplies and a rapid escalation of petroleum prices. New features depict today's situation. First, there is a marked decline in world oil demand and a much greater reduction in demand for OPEC oil. Secondly, the concern about prices no longer relates to their high level or to prospects of future rises, but to distortions in the price structure continually aggravated by competitive undercutting by some producing countries. Thirdly, the structure of the world petroleum market has changed in a significant way and is likely to continue to change. This latter aspect has not yet received the attention it deserves though its implications for producing countries, the industry and oil consumers are of considerable interest.

My purposes in this paper are twofold. First, to analyse and depict these new features of the petroleum situation, and, secondly, to assess their significance for OPEC's behaviour and OPEC's policies.

### **The new features of the petroleum situation: demand**

I shall be brief on demand as this topic is well-covered elsewhere. Two remarks are worth making on this subject. The first involves a simple but often overlooked distinction between consumption and inventory demand. The present drop in total oil demand is sharper than the underlying trend for oil consumption because of a significant reversal in inventory behaviour between 1979/80 and 1981/82. In 1979/80 stocks were being built up world-wide at a high rate. In 1981/82 stocks are being drawn down. Estimates of this swing in inventory demand vary from source to source. The lowest figure I have come across is 2 mb/d (1 mb/d average build up followed by 1 mb/d drawdown). These averages calculated over periods of 12-18 months conceal very sharp, short-term, inventory movements of 3-5 mb/d.

Whether a significant inventory build up will take place in the winter of 1982 following the long period of stock depletion which has been upsetting the oil market since mid-1981 is a point of debate. Attitudes about stocks within the oil industry are undergoing some changes. Nobody seems to believe that present supply uncertainties warrant a precautionary stock cushion; the view taken being that a shortfall caused, say, by a political accident in one area would be immediately compensated for by increased supplies elsewhere. The industry is thus likely to keep the level of inventories held for precautionary motives at the minimum level compatible with mandatory requirements.

Some demand analysts in the industry have recently formed the view that the seasonal movements in oil requirements will no longer be as marked as in the past. One reason is that winter demand does not involve as large a component of fuel oil as in the past, since most of the substitution against oil has taken place against this particular product. Another reason is the greater flexibility now built in refineries which enables quick response to variation in the demand for a product mix. This suggests that less stocks are now required than in the past to smooth seasonal fluctuations in demand.

If these arguments are correct we should not expect a big upsurge in inventory demand this winter, rather an end to the draw-down as the industry reaches stock levels which are thought optimal. From

then on, changes in inventories will play a minor role and the oil demand trend will tend to converge with the oil consumption trend.

All considered, this may not be a bad development. Movements in inventory demand, the ups as well as the downs, have often destabilised the market. Further, the interpretation of oil demand data would become much easier if inventory changes were marginal and could be safely ignored. However, there are too many ifs in this analysis and the situation depicted here may not materialise.

The second point worth making about oil demand is on the causes of the decline. There is a wide consensus about the nature of these causes - recession, conservation and substitution - but no agreement about their relative quantitative importance. Research done on this subject has not yet produced conclusive and well agreed results. Yet we would like to know whether conservation or recession is the most important factor behind the reduction in oil demand. A different way of putting the question is to ask how much of the decline is a permanent change and how much is reversible should an economic recovery take place or should energy prices fall relatively to other prices. Much depends on the correct answers to these questions. Without them, forecasts and analysis of the demand outlook for the coming years are pretty meaningless exercises. No serious assessment of the future responses of producers can be made without firm views about the determinants of oil demand trends. The International Energy Agency will publish soon its new *World Energy Outlook* and will probably take a position on the relative weights of structural and conjunctural factors in the decline of energy demand. Many experts and less learned

observers will no doubt use the report to rush into conclusions about such varied but important issues as OPEC's behaviour, government policy in consuming countries and the future shape of the oil industry. And yet they will be unwise to do so because the IEA findings on demand, though backed by sophisticated models, are probably as tentative as anything else we have obtained so far from other authorities.

### **Price Structure**

The oil price structure has been affected by serious distortions since the beginning of 1979. The price realignment achieved at the OPEC Geneva meeting of October 1981 removed the most glaring flaws but new distortions obtained soon after. In 1979/81 the price structure was defective in two major respects:

(a) there were two different prices for the market crude, an actual price at which Arabian Light was officially sold and a deemed market price which served as a reference for other OPEC crudes; (b) the price differentials for light crudes overstated their value relative to the market. These distortions eventually had an adverse effect on the OPEC supply pattern, as some countries suffered big losses in export sales while others were induced to produce higher volumes than traditionally specified by their output allowables.

Soon after the Geneva price realignment new distortions appeared. They were different in nature. Non-OPEC countries began to fix their GSPs below the equivalent OPEC price. They were followed by one or two OPEC countries who sought to revive a very depressed demand for their oil, either through a formal lowering of official prices, or through disguised discounts. This state of affairs means that:

(a) non-OPEC producers have not suffered any reduction in export volumes despite the world demand shortfall.

(b) OPEC has to carry the whole brunt of the reduction in demand; and

(c) OPEC is in danger of being unsettled from within as dissatisfaction about volumes and market shares spreads among members.

Price distortions have other effects. They unsettle the industry because some companies find that their profits are being squeezed while other companies enjoy windfall gains. They discriminate between consumers, between those with access to the cheaper crudes and those who happen to be committed to the relatively more expensive sources.

Price distortions are a feature of market instability. Unless producers take measures to align their prices (and, in the present situation, this not only implies a price alignment within OPEC, but a willingness on the part of non-OPEC countries to hold the OPEC reference price) the market will take over and will tend to do the job for them. In conditions of glut, market forces pull prices down towards the lowest bid. This is the inevitable outcome of competition between suppliers. Market forces, if they eventually succeed in removing distortions, will level down the oil price structure to a cost floor set by the marginal fields. In the petroleum market these forces have recently become more powerful as we shall argue below.

## Structural Changes

During the 1970s most people's attention has been fixed on the oil price shocks of 1973 and 1979. These were important phenomena indeed, deserving careful analysis and appraisal. Other phenomena which marked oil developments in recent years elicited much less comment. I propose to describe them under the heading of structural changes. These changes have weakened both vertical and horizontal links which integrated the industry world-wide in previous decades, and they have widened the narrow area in which competitive forces have a free play. In short, the role of the market has been enhanced at the expense of the regulatory power exercised by institutions - the major oil companies of yesteryear and the OPEC of today.

These changes may be summarised as follows. In the 1970s oil-producing countries retrieved full sovereignty over their most valued natural resource - petroleum. Governments through a ministerial agency or a national oil company became responsible for all economic decisions on oil, from investment to production and marketing. The concession system broke down. This means that upstream oil ceased to be part of the integrated structure of the major corporations, at least in the OPEC countries. There is now an interface between producers and off-takers which is identical in most respects to the normal seller/buyer relationship that characterises any market. The previous host government / concessionaire couple which involved little more than fiscal negotiations about taxes per barrel was given way to a commercial relationship between autonomous agents engaging in normal trade transactions. The producer is a genuine seller of oil, free to define his output policy, his supply price, and the terms of the selling contract. The oil company is a buyer which can accept or refuse to buy what is on offer, but can no longer decide how much to produce in this or that country in the OPEC region. (There are minor exceptions which do not affect the argument.)

Having regained their sovereignty over oil resources and having become autonomous producers/sellers, most OPEC countries have diversified their sales outlets. Until a few years ago the eight major companies lifted 80-90% of OPEC oil exports. The number of lifters has now increased manyfold to some 150. A typical OPEC country has between 20-40 customers, including previous

concessionaires, US independents, European and Japanese companies, Third World companies, refiners, traders and governments. The high degree of concentration which characterised oil trade upstream, on the buying side, has been substantially reduced. This means greater competition between buyers in tight markets; also less buyers' commitment to their supply sources when the market is slack.

Another feature of change is the disappearance of long-term oil supply contracts between companies. Until the mid-1970s crude oil used to flow within the integrated structure of the majors or between crude-long and crude-short companies. There was a third party market in which some of the majors supplied US independents, Japanese refiners and European companies, among others, under long-term contracts. These stable arrangements extended in effect the integration of the oil market worldwide to those parts of the industry which did not belong to the majors.

The structural changes described above - namely the reduction of the majors' share in offtake and the considerable increase in the number of buyers dealing directly with producing countries - have led to the virtual disappearance of long-term contracts in inter-company crude oil trade. The dominance of the majors over offtake from OPEC countries, and the confidence that this dominance will continue for ever, underpinned the old system and made it possible for some majors to commit themselves to the third-party market through long-term arrangements. This is now impossible. Most inter-company trade is in the form of short-term transactions. Naturally the number of transactions and the frequency at which they are made has increased (even though the volume traded per contract is much smaller). In this sector of the oil business an active and responsive market has replaced the heavily institutionalised third-party system. This is an important change.

The large increase in the number of companies operating outside the old integrated channels has enlarged the scope of the spot market. One function of the spot market is to enable companies to correct in the last resort a mismatch between supplies and requirements. Supplies never correspond exactly to requirements, but adjustments can be made in a variety of ways through inventory charges, re-direction of tankers, changes in the refinery input-mix, to name a few. In the past most of these adjustments were made internally, because a very large, international and vertically-integrated concern has infinite opportunities to correct imbalances within its own system. Recourse to the spot was very rare indeed, a last resort operation which had little market significance.

Today, the scope for internal adjustments has been reduced, because companies are smaller and more numerous, and because their primary suppliers of crude are one or two producing countries, not an international major with worldwide access to a large number of sources. Hence the increase in short-term inter-company transactions, also the increased recourse to the spot market.

As the spot market grows in size and importance it acquires new functions. In the past the transactions were so rare that spot prices had little economic meaning. At present spot prices relating to actual transactions are recorded every day. The spot market reveals both price levels and price tendencies. It indicates imbalances in the supply/demand balance. It invites arbitrage by intermediaries and speculators. It provides opportunities for trading for the sake of trading. All that is changing attitudes within the oil industry. Supply is no longer viewed *exclusively* as a planning function, but as an activity which combines planning and trading in a more intimate way.

A developed spot market which relates backward to an active short-term contract market tends to encourage the establishment of a forward link with a futures market. Recent developments in New York and London suggest that dealings in futures may soon become an interesting (though not very significant) feature of the world petroleum market.

I noted that the degree of industrial concentration has been reduced on the company side. The degree of concentration is also declining on the producing-country side. Recent years have seen the emergence of a number of non-OPEC exporters. The UK, Mexico, Norway are the most important, but others - Egypt, Angola, Oman, etc., - are also playing a major role.

The non-OPEC exporter behaves, typically, as a newcomer mainly concerned with penetrating the market and securing a share for himself. The newcomer is concerned with volume, not with price administration which he is happy to leave to the club of oldcomers - in our case, OPEC. In a tight market he will take advantage of course of rising prices. Neither is he lumbered with the ponderous institutional procedures which may delay the response of the price administrator, nor is he inhibited by some feeling of responsibility for price stability, precisely because he is not a price administrator. In a slack market he will undercut the administered price in order to maintain his export volumes.

Producing countries are now divided into two groups. There is an OPEC group committed to hold prices on a firm peg, and a non-OPEC group which is willing to sell at prices below the peg in order to



maximize volumes. The strategy of non-OPEC producers is beneficial to them only because OPEC is holding the peg firmly fixed. There is no doubt however that their policies threaten OPEC's ability to hold the price line. The strategy is risky. It strains the very system which provides them with a shield. Nobody knows how far one can go before bringing about a price collapse. As non-OPEC countries act independently of each other none of them can assess the total effect of individual actions. They should only be reminded of a simple economic truth, that competition in a slack market ultimately brings prices down. Consumers naturally welcome such an outcome. It is odd that producers should behave for the sake of short-term gains in ways which endanger their long-term interests.

Another feature of change is oil price deregulation and the abolition of import restrictions in the United States. US suppliers and consumers are no longer shielded from price movements in the international oil market. The US market is very big, and has now become very responsive. In short, the area in which market forces operate fairly freely has been considerably enlarged. There is less segmentation in the international trade for crude oil — than in the past — therefore more room for flexible economic reactions and quicker transmission worldwide of both signals and responses.

To sum up. The world petroleum market today involves sovereign producers and a large number of

companies as autonomous sellers and buyers. Demand and supply are no longer brought into balance internally in the vertically integrated system of the majors. Demand and supply now fall on two different sides of the market and have to be brought in balance in the open, that is on the market place. This means that excess demand or excess supplies have now become visible phenomena, eliciting market responses. In the old system there were no apparent shortages or gluts despite continual variations in demand. The disequilibria were corrected internally by varying output rates and inventory levels within the major companies.

There is now a wide interface between producers, buyers, and inevitably, intermediaries. The degree of concentration has decreased on the buying side of the international crude market; also the degree of concentration on the oil-producing side. The number of market transactions has considerably increased, and a larger proportion than in the past are on short-term contract or on a spot basis. Finally, the immense US oil market has become linked to the rest of the world receiving and transmitting signals and responses. The outcome of all these changes is that the balance between institutional regulation and market forces which prevailed under different systems until the late 1970s has now altered. The institutional power of OPEC, and for that matter of the oil majors, is still strong but market forces are acquiring strength and the field in which they operate is becoming wider.

CSO: 4400/34

## UNIFIED LABOR POLICIES SOUGHT

London ARABIA in English NO 13, Sep 82 pp 58-59

[Text]

The Arab Gulf countries are moving towards more uniform labour policies in a bid to reduce their dependence on non-Arab Asian workers. Many Gulf politicians, trade unionists and newspapers are calling for the "Arabisation" of the workforce by replacing "expatriate Asian" workers with Arabs.

Powerful sections of Arab Gulf society have become alarmed at the sheer numbers of migrant workers, who account for 90 per cent of the workforce in the UAE, 80 per cent in Qatar, 70 per cent in Kuwait and 40 per cent in Saudi Arabia, according to official sources. This concern was also seen at the Gulf Cooperation Council (GCC) conference of labour ministers held recently in Sharjah.

The delegates called for the control and eventual replacement of expatriate Asian workers to "offset the undesirable effects - such as new trends in crime, loitering and lowering standards of living - associated with the influx of large numbers of foreign workers" and to preserve the "Arabness" of the region.

The conference recommended that a labour institute to train Arab workers be set up, that the influx of Asian labour be more closely tied to regional development needs, that labour laws be unified and informa-

tion exchanged to monitor the labour market.

Kuwait's social affairs under-secretary, Abdullah Ghaloum Hussein, said recently that the International Labour Organisation and some western European countries have attempted to transfer some of the three million or more Tunisian, Algerian and Moroccan workers in Europe to Arab Gulf countries. The minister said that it could take ten years to substitute qualified Arab workers for the Asian expatriates.

The present GCC policy aims at easing the movement of Arab workers within the Arab world, training skilled personnel, persuading highly qualified Arabs not to emigrate, and increasing investment in Arab cities to create jobs for Arabs. This policy has also been adopted by the Arab Labour Organisation (ALO) - of whose members only Jordan, Sudan, Syria, Iraq, Egypt, Somalia and Palestine ratified the original 1971 agreement at the time.

The ALO members recognise that recommendations cannot be implemented without suitably qualified manpower. The first labour training centre for Arab workers, which is being set up in Libya, opens next April. Another centre is planned for the GCC area, while an Arab labour agency has been estab-

lished by the ALO in Tangier to liaise between labour-export and labour-import Arab countries.

Whether Arabisation is viable remains a moot point. A recent study by the Office of International Migration for Employment, a branch of the ILO in Geneva, predicts that the migrant labour force in the Gulf will treble to over five million by 1985. It concludes that economic forces will keep up the pressure for labour migration.

This is all encapsulated by the severe manpower shortage being experienced by Kuwait's National Housing Authority, which has been assigned a five-year budget of \$1 billion and has contracts to build 36,000 houses over the next six years. The labour shortage, especially of skilled technicians (of which there are very few Kuwaitis) is hampering the programme severely. All told, 60,000 labourers are needed but, given the present climate against Asian expatriates, Kuwait would find it difficult to absorb them.

It is also significant that in the debate on manpower policy within the Gulf states, almost no attention has been paid to Islamic attitudes and teachings. The Islamic justification - if any - for pursuing Arabisation will have to be thrashed out as political awareness spreads and Islamic groups assert their political identity in the Gulf states.

## ECONOMIC COORDINATION AMONG GULF STATES

London ARABIA in English No 13, Sep 82 p 60

[Text]

Since the formation of the Gulf Cooperation Council in May 1981 the six member states - Saudi Arabia, Qatar, Bahrain, Kuwait, Oman and the UAE - have been exploring the possibilities of economic coordination.

In June this year GCC finance ministers adopted a number of measures to boost Gulf economic and trade ties. From December 1, 1982, customs duties on the products of Council states will be abolished and a specialised committee of customs directors will be set up to propose a unified tariff structure.

Restrictions have also been lifted on the movement of citizens within the area and on the establishment of enterprises by them. The one provision is that nationals of the host state hold 25 per cent of the stock of any new company.

The Gulf Investment Corporation, which will be responsible for building economic cooperation among GCC states, is expected to start operations in January 1983. It will have a capital of \$20bn. The capital will be raised by the Gulf states, which are then empowered to sell off 49 per cent of their holding to their nationals.

Dr Abdullah al Quais, the GCC's

assistant secretary general for economic affairs, says that the forthcoming December meeting of finance ministers would draw up outline proposals for furthering joint banking facilities.

The GCC was established to consolidate the already friendly ties between the member states and to pursue economic integration. It plans to model itself on the European Economic Community: the Gulf free trade plan looks like a step in that direction.

Regional economic cooperation will require a phased harmonisation of national economic strategies. National economic goals may not necessarily correspond to regional goals. However, the overriding obstacle to effective economic integration within the region lies in the small size of the member countries' economies and their overwhelming dependence on outsiders.

A large proportion of the economically active population is recruited from countries outside the GCC area. Similarly, the main sources of industrial technology and business information lie outside the effective control of the member governments. In these circumstances, economic integration could

prove particularly difficult. Integrative projects are likely to remain severely restricted.

One possible solution is that GCC economic ministers seek to coordinate their economic policies with those of the major suppliers of migrant labour - Pakistan, the Yemens and Sudan. Priority might also be given to increasing the bargaining power of GCC countries in international financial and technology markets: if the Gulf countries remain price takers in such markets they risk mortgaging their economic sovereignty to the international banks and transnational companies. Again, coordination with the industrially advanced sectors of the region's Muslim states, such as Iran and Pakistan, could pay dividends.

Many commentators believe that expansion of the GCC is essential for its success. This will depend on political factors.

Although a rapprochement with Iran may not be possible while the Gulf war continues, a political accommodation with Pakistan should prove mutually beneficial. Observers add that the GCC could also consider according associated status to Pakistan, the Yemens, Sudan and Djibouti.



GCC UNIFIED TRADE RELATIONS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 30, 13 Sep 82 p 6

[Text]

The member states in the Gulf Cooperation Council (GCC) have taken economic and trade cooperation a step further with the introduction this month of new measures to unify regulations concerning imports and exports. The rules were drawn up by the Joint Committee for Financial and Economic Cooperation of the GCC, which is composed of Saudi Arabia, Kuwait, the UAE, Oman, Qatar and Bahrain.

According to the regulations, any merchant re-exporting foreign goods to any GCC member country must ensure that they are accompanied by a local export declaration and an invoice recording the type of merchandise on the list issued by the parties concerned. Certificates of origin are to be scrutinised to ensure the strict observance of the boycott (of Israel) applied by these countries. Under no circumstances should goods not mentioned in the manifest be transported, even if they are accompanied with the required documents.

The rules also provide that goods in transit to any GCC state should be granted an import licence allowing them to be stored for six months, subject to renewal, outside the port or free zone if this is necessary, on condition that the goods are not forbidden or restricted. It is incumbent on the owner, or importer of the goods to produce a certificate from the authorities establishing the validity of his claim to them.

CSO: 4400/25

TRIBAL ELDERS PRAISE GOVERNMENT AID PROGRAMS

Kabul KABUL NEW TIMES in English 22 Sep 82 p 3

[Text]

"No one prevents us from performing our religious rites and traditional ceremonies. Our Muslim people have complete freedom in performing their religious ceremonies. The revolutionary Government of the Democratic Republic of Afghanistan has deep respect for the Islamic religion and has practically exerted sincere efforts to create facilities for the pious Muslim people to practise their religious principles with complete independence."

This was stated by Sayed Hassan known as "Pacha Sahib", in an interview with the Kabul New Times.

Hassan, who is 80 years old, represented the people of the Shinwar district at the tribal 'jirgah' recently held in Kabul with the participation of elders of different tribes and nationalities.

"In our area", he said, "no restriction is being imposed on the performance of religious rites and ceremonies. Mosques are open to pious people and all the Muslim people are freely performing their religious prayers with free-

dom. The revolutionary Government sincerely helps the people by assigning 'imams', and repairing, painting, and constructing new mosques and shrines and offering other assistances, to mention a few".

"It is a mere fabrication of the world imperialism and its accomplices", he added, "that Islam is in danger in Afghanistan. I clearly and forcefully reject this baseless allegation of the enemies of Islam and our people, and tell them loudly that not only is Islam not in danger in our country, but the popular regime here sincerely helps the Muslim people in the country perform their religious ceremonies with freedom."

Answering a question, Haji Mahmoud, another elder and chieftain of the tribal people of the Nangarhar province, said: "The revolutionary Government of the Democratic Republic of Afghanistan sincerely cooperates and helps the people in their effort to improve their living standards".

"For instance", he added, "in the field of agriculture,

the people of the Shinwar district receive great assistance from their popular state. The peasants in the district are provided with easy credits, improved wheat seeds, fertilisers, tractors, and farm implements."

"The peasants of our area", he affirmed, "are quite happy and are confident about their bright future and are happily striving to increase the agricultural production with the assistance they receive from their popular state. The farm produce in the area has now greatly improved and, during the current year, and the preceding year, the peasants received the equivalent of Afs 10,000 from half an acre of the land in the area. The result thus obtained can be attributed to the all-sided care by our national democratic Government for the downtrodden people of the country".

Gul Afzal, member of the agriculture cooperatives in the Shinwar district, talking of the activities of the cooperative in the area, said: "Such cooperatives play an important part in increasing and improvement of agricultural production. In our area—Haska Mena—over 400 peasants have so far obtained membership of the cooperatives".

"The peasants, besides working on their land, valourously defend their village against the attacks of the enemies of the people", he added. "We elders, who took part on behalf of the

people of the district in the tribal jirgah in Kabul, have promised to our national democratic Government that no security forces are needed in our area. The people of our area are determined to maintain peace and security in the area themselves. We will not allow the enemies of our people to enter our area and disturb peace there. The brave people of the district have realised the lofty objectives of their state, therefore, they are ready to heartily co-operate with the Government."

He recalled that, during the past decadent regimes, the people of Shinwar did not send their sons to the armed and security forces. But, now that they have realised that their popular Government really works for the well-being of the masses, and they are ready to take active part in the defence of their area, revolution and the country".

Mohammad Sharif, another elder from the same district, said: "In our area, complete security prevails, the people are leading normal lives, schools are open and the children are happily attending their lessons. And, as a result of the Government's attention and the cooperation of the inhabitants of the area, the enemies were not allowed the opportunity to destroy schools, mosques or other public utility establishments".

Asked to give his view pertaining to the results of the tribal 'jirgah' in Ka-

bul, he said, "The elders from different tribes in the glorious traditional 'jirgah' in Kabul have found the opportunity to meet the party and state leaders of the country. The discussions were held in an atmosphere of complete confidence and friendliness. The participants also went to the Martyrs' Hill and, while praying to the souls of the martyrs of the revolution, laid floral wreaths at the foot of the Martyrs' Monument there."

He added: "When we return to our areas, we will carry with us the warm greetings and wishes of the party and state leaders. We will also carry with us the promises given by our state to help and assist the people in removing their difficulties. We will tell our people that their Government is the real protector of the interests of the people of the DRA and their state will solve all their difficulties. Likewise, we will tell our people that they should strengthen their unity more than at any other time and sincerely cooperate with their popular Government in achievement of the lofty objectives of it aimed at bettering the living and working condition of the masses in the country. Naturally, it is only through unity and hard work that we will be able to remove our difficulties and pave the ground for building a new life in the country, where our people will lead a blossoming and tranquil life."

## MUJAHEDIN DESTROY GOVERNMENT MILITARY CONVOY

Karachi DAWN in English 8 Oct 82 p 18

[Text]

PESHAWAR, Oct 7: The Mujahideen have destroyed completely a military convoy after being surrounded for 20 days between Nishagam and Naray villages in Kunar province, reliable sources said today.

The convoy of about 500 Karmal troops could not reach Baricot, some 40 kilometres from Aasmar on Sept 27.

The Mujahideen damaged the road to create obstacles for the convoy, when it was attacked by them. Mujahideen arrested 250 soldiers while the rest were either killed or wounded.

The Mujahideen captured eight cannons, seven anti-aircraft guns, 500 Kalashnikovs and a large number of cartridges and food stuff. One tank, along with its Russian crew, was blasted with mine. An oil-tanker hit by rocket caught fire which consequently destroyed the nearby vehicles loaded with arms. Eight tanks and 82 vehicles were destroyed.

Soldiers from Baricot reached for re-inforcement, but were compelled to retreat due to heavy resistance. Thirteen Mujahideen were martyred and 20 others were injured. Soviet helicopters bombarded the nearby villages on the next day, destroying military vehicles left by the Government forces. All the groups of Mujahideen took part in the operation.

According to another report from Ningerhar province the Russian helicopters continued bombard-

ment on the villages of Zawa and Wazir in Old Bazar of Khugyani district from Sep 26 to 29 to take revenge of the 74 Khalqis and Parchamis killed by Commander Mohammad Zaman on Sep 19 in Khugyani district.

Many houses were destroyed due to the bombardment which compelled many families to take refuge in Pakistan.

The Mujahideen blocked Kabul-Jalalabad Highway on Oct 2, as they had planted mines near Darunia Dam.

Russian soldiers compelled private trucks and other vehicles to go over the mines to pave the way for their tanks.

## Conscripted youth

According to an APP report the rate of desertions from Karmalite army is on the increase and 52 newly conscripted youth last month escaped from their unit and joined the Mujahideen.

According to reports received in Quetta, 52 conscripts, 20 from Faryab province and 32 from executed President Noor Mohammad Taraki's native village, deserted their units during an encounter with Mujahideen under the guidance of six senior colleagues. The sources said that this group joined the Mujahideen on Sept 18 near Sur Killi. They also brought with them six kalashnikovs and 900 bullets. APP/AAP/PPI

## AFGHANISTAN

### BRIEFS

AFGHAN COMMUNISTS BLOCKADING SHI'A AREAS--Islamabad, Pakistan, Oct 2 (UPI)-- Afghan troops have cut off all food and medical supplies to the Shi'a dominated areas in central Afghanistan to break their resistance to the Soviet-backed regime, a resistance leader said Saturday. Some of the affected people are living on grass, Hussain Sadqi, leader of the Iran-based Tanzeem-e Nasr (Victory Group) told a news conference. Sadqi could not pinpoint the areas or the number of people affected and said the situation was created when Afghan government troops blocked all roads going into the food deficit areas in the predominantly Shi'ia Hazarajat region 40 days ago. Asked whether difficult road conditions at the start of winter could be responsible for the situation which he did not consider approaching famine conditions, the resistance leader said the move was part of Soviet tactics to force the Afghan people into submission and give up their resistance to Communist rule. Sadeqi estimated that two million Afghan refugees have sought shelter in Iran. [Text] [Tehran KAYHAN INTERNATIONAL in English 3 Oct 82 p 1]

CSO: 4600/39

## NEW ECONOMICS MINISTERS PRESENT VIEWS, PROGRAMS

### Investment Minister Discusses Development

Cairo AL-AHRAM in Arabic 4 Sep 82 p 13

[Article by 'Abd-al-Rahman 'Aql]

[Text] The day before yesterday President Husni Mubarak declared that the cabinet change was aimed at resolving the problems of the economy and investment and that the purpose in introducing new blood into the cabinet was to give young people a chance to take part in responsibilities. It is certain that this approach will mean making the young scholars of Egypt face their national responsibilities so that it will be possible to benefit from their sacrifices without limits or restrictions.

Two new ministers have come into the economic sector, Dr Wajih Muhammad Shindi and Dr Mustafa al-Sa'id, who are two party ministers. The significance of their selection as party members, in my view, is that their decisions will have a strong organic link to the base of the people, their style will be marked by their speaking frankly with the masses, through facts, without exaggeration diffidence, and, most importantly, there will be a constant followup of the execution of decisions.

The latter point of significance of the selection of the two party ministers for the economic sector, in my view as well, is that they will be responsible toward everyone for the recommendations and solutions they have previously declared or presented for our economic problems.

Today's conversations is a recollection and reconsideration of the ideas they have previously presented and the concepts and views they have requested be executed concerning the economic problem.

Dr Wajih Muhammad Shindi, the minister of investment and international cooperation, constantly propounds the cause of economic liberalization as a basic means for increasing investments and developing production to raise living standards and states that it is necessary to evaluate the situation in a manner that calls for realism, in the sense that all strong and weak points must be taken into consideration with the goal of intensifying strong points and diminishing weak ones.



I asked Dr Wajih Muhammad Shindi, at one of his meetings in the National Party's Plan and Budget Committee, "Where should reform begin?"

He said, "It should begin by specifying the goal with absolute clarity and frankness and investigating the various means for bringing this goal about, provided that execution take place within a specific time frame. The problem is always embodied in the lack of clarity of goals as far as the persons heading up a job or the people working with them go. In addition, higher management is not concerned with the question of followup. However, the issue of followup must be considered one of the tasks of higher management, and it should not be left to junior employees. The issue of followup means making sure that the job is completed at the highest level of competence within a specific time; the basic mission of the manager in any position is to transcend obstacles. One cannot say that any working manager has no internal or external obstacles." In connection with the issue of management, Dr Wajih Muhammad Shindi calls for application of the law of small numbers and states that it is necessary to take stock of negative and positive features; the manager who gives bonuses to exceptional people is also responsible for penalizing the negligent. In fact, the situation could reach the point where one should dispense with people whose incompetence is demonstrated; management is always rebuked for consisting entirely of incentives and disregarding penalties.

I asked, "What happens once the goal is defined and the dimensions of the problem are determined?"

Dr Wajih Shindi considers that frank talk and clarification of problems should begin, rather than having people rally around the problem. Delays in adopting decisions on problems complicate the problems with the passage of time, to the point where they become chronic and people get accustomed to believe that they have become unsolvable. He gives an example of that: internal medicine is useful for remedying any disease in the preliminary stages, on ground that that is a normal approach to treatment. However, one should hesitate to resort to surgery, considering that that is a realistic means for coping with problems that internists are incapable of coping with.

#### The Economy and Project Management

He considers that the Egyptian economy must be run by the project management method, in the sense that the costs and benefits of all activities, be they productive or service activities, must be calculated. The costs and benefits of economic activities can be calculated by figures; the costs and benefits of service activities can also be calculated.

He believes completely in the law of supply and demand and the fundamentals of the market. He says that this is an "iron law" of economic activity in the various countries of the world, and no realistic alternative to it has yet emerged anywhere in the world. Nonetheless, one can reduce its effects as far as the people affected by it, especially classes of people with limited incomes, go.

[I asked] "You have had experience founding the Arab Investment Bank, and you have said that when you started the bank it pursued its activity for a year



with only about six employees. The bank's activity then registered a tremendous increase. What can this sort of experience add to the management of investment activity in its totality, especially since that is an investment bank and is a small unit in the investment sector as a whole? How can one benefit from this experience in managing the investment sector in Egypt?

Dr Wajih Shindi: "The issue of investment, and investment management, requires that we promote economic activity domestically as a whole. The real approach to promoting this activity is private and public sector investment and the provision of incentives for Egyptian citizens, especially in the private sectors, to invest. That is the logical, natural approach for encouraging foreigners to invest in Egypt. The logical conclusion of this is that equality of duties and rights between Egyptian and foreign investors is essential: the issue is basically one of investment, and the Egyptian is more entitled to attention."

He added, "In all countries of the world, investors in the private or public sector make their decisions to invest not to make a loss but rather to make a profit. Consequently, it is necessary to balance the benefits that accrue to the investor and the benefits that are realized by the domestic economy. In many cases, defining the interests of the investor also brings about the interests of the domestic economy."

"In general the most important problem of investment is the time element; that is the delicate and decisive factor."

He also considers that the investment law has given many incentives to investors, including legal guarantees, many years' worth of tax exemptions and customs exemptions. However, the way these incentives are applied in practice has prompted some investors to delay reviewing the adoption of decisions to invest, because of complications, procedures and the long time period actually required to benefit from these advantages.

I said, "You bring together two forms of theoretical and practical experience in more than one area, including banking and commercial activity and investment, in addition to your work as a university professor in the domestic and foreign contexts. What is your conception of the way to make economic decisions last?"

Dr Wajih Shindi: "All economic feasibility study projects determine costs and benefits, and the evaluations of these two factors are based on a calculation of the costs of production in the domestic market. If one element in these costs changes as a result of administrative decree, there is no doubt that that will have an effect on the level of the project's profitability, in the sense that stability of economic conditions specifically requires economic decisions to make operating stability possible. That does not mean rigidity and a lack of change. The economics of different countries differ in terms of different rates of economic activity and the government measures take in its regard. However, these measures ought to be studied with care and their costs and benefits, as well as their direct and side effects on every economic activity, should be calculated in advance, so that they will not be rejected after a period of time."

[I said] "You have international experience, having worked as the deputy to the Egyptian governor with the World Bank in Washington as well as in regional organizations. How do you view the issue of international cooperation?"

Dr Wajih Shindi considers "It is necessary to cement relations with international and regional economic organizations and we should start by using the volume of aid and loans that are available to us within the time periods set out for them, lest we give Egypt's enemies an opportunity to stop the aid because of talk about surpluses in the balance of payments or reduce this aid because of delays in disbursement of it. It is necessary to understand these bodies' requirements and deal with them in the same way of thinking as they do, so that we can maintain our balanced relations with international and regional organizations in support of the Egyptian position, increase the volume of loans needed to finance development projects, shift some of them from loans to grants and invest this financing in the service of agricultural and industrial production objectives."

This conversation, or excursion through the ideas of Dr Wajih Shindi, took place before he was assigned the administration of the investment and international cooperation sector as a responsible minister. However, the questions he did not answer at that time because he did not have the authority to issue decrees are:

Will a specific time framework for completing the execution of investment projects be set out and closely observed?

Will we soon be hearing decisive answers to investors' issues and problems which have sprung up in the past 9 months, in a manner which will bring about a new spirit among young people investing in the coming stage, result in their enhanced activity and liberate them from bureaucratic snarls?

Will the strong bonds and clear lines of Egypt's relationship with the World Bank, the International Monetary Fund and the regional organizations be restored?

The fact is that one can arrive at a specific answer to these questions without conversing with the minister, for the man's ideas and practical platform are well known through his economic work in the party and his previously-published studies, discussions and press interviews. It is most likely that the answer to the previous questions will not stray far from the context of the contents of the review presented above.

#### Domestic Economy Czar Speaks

Cairo AL-AHRAM in Arabic 3 Aug 82 p 9

[Article by 'Abd-al-Rahman 'Aql]

[Text] Our conversation with Dr Mustafa al-Sa'id, the minister of economy and foreign trade, started from a focal point: his most clear and objective vision of the policy of economic liberalization. This policy, in 8 years of application, has had its influence on many aspects of life in Egypt - economic, social and political. Does this policy agree with the appeals economists including Dr Mustafa al-Sa'id, are making, that self-reliance is necessary? What are the new economy minister's expectations of the future, in the light of the

structural changes that have taken place in the condition of the Egyptian economy and the international, regional and local pressures surrounding it?

Dr Mustafa al-Sa'id, the minister of economy and foreign trade, considers that the starting point in reviving and strengthening the Egyptian economy lies in the need to work to increase the rate of investment, in view of the impossibility of resorting to expanded use of the method of financing through budget deficits and new issues (the printing of banknotes). With the decline in the rate of local savings, it has been necessary to resort to additional sources of financing. That is, the basic justification for the liberalization policy since the start of 1974 has been the desire to increase the rate of investment and bring about higher rates of economic development. Here is where the legitimacy of pursuing and preserving this policy lay. However, it must be clear that an increase in the rate of investment ultimately means raising the growth rate of national income and realizing social peace in order to arrive at a stage of self-reliance. In order to make this notion reality, he does not consider that the economic liberalization policy should strive to encourage the acquisition of foreign loans, aid and investment without at the same time seeking to develop domestic resources in order to encourage investments of private domestic capital, and seeking to increase the competence of the public sector in order to increase its surplus and direct that toward further investment. It is not logical that investment laws should be confined to foreign investors, to the exclusion of Egyptians, or that the public sector, which is the backbone of production in many sectors - foremost among them those of industry, tourist activity and transportation - should be ignored.

[I asked] "You have claimed, along with many economists, that the resolution of the economic problem will depend basically on self-reliance; one would imagine that self-reliance conflicts with the notion of the policy of liberalization, which means reliance on others."

There is a great deal of congruity between the liberalization policy and the strategy of self-reliance, in the opinion of the minister of economy, for the following reasons:

After the issuance of the nationalization laws in the early sixties, the role of the domestic private sector in contributing to the financing of economic development projects was drastically reduced and the domestic private sector proceeded to consume what it had managed to save, to hoard or to buy real estate. Thus, the economy's power to mobilize an important part of its resources declined. Following the liberalization policy, however, domestic private sector savings reappeared and were directed into investment fields, which is in keeping with the strategy of self-reliance.

The statement that the liberalization policy, which seeks to encourage Arab and foreign investment, contradicts the strategy of self-reliance is one which sound thinking must reject, because one must distinguish between the direct and indirect effects of this dimension. The direct effect of financing investments from abroad is reliance on others, but the indirect effect is represented by the increased domestic income which these investments bring about and resulting increased rates of local savings, which ultimately lead to a rise in the degree of self-reliance and a reduction in, if not a total ability to dispense with,

foreign investments at a later stage - on condition that the foreign investments be used properly and that the domestic economy benefit from them. To make sure that the liberalization policy is compatible with self-reliance, one must devote attention to two important considerations:

First, the need to define priorities among various projects and develop management methods by using advanced technology.

Second, modification of the meaning of the strategy of self-reliance to mean collective self-reliance. We, in Egypt, in the framework of the pursuit of the policy of economic liberalization, can continue to finance our investment requirements by using resources available in some neighboring countries.

[Question] Has the liberalization policy, in terms of practical application, resulted in the attainment of a strategy of self-reliance, in accordance with the analysis you mentioned?

[Answer] There are no doubt positive features which have enhanced the notion of self-reliance through pursuit of the liberalization policy, and there are also negative features. The positive features are embodied in the perceptible increase in investment rates, which came to about 28 percent of gross national product in 1978, and an annual average in the period 1974-78 of 24.4 percent - an average which was no less than 80 percent greater than than of the period that preceded the application of the liberalization policy, 1966/67-1973. It is to be noted that the increase in investment rates has been accompanied by a constant increase in rates of domestic savings, from 5.4 percent in 1974 to 14.3 and 14.2 percent in 1977 and 1978, the highest rates that have been attained since 1960/61. It is to be noted that private sector savings have played a basic role in increasing the rates of national savings. This confirms that the policy of economic liberalization has led to an increased mobilization of local resources, which means an increase in the degree of self-reliance, and perceptible growth has also occurred in the rate of increase of gross national product.

Two negative trends in economic liberalization:

Dr Mustafa al-Sa'id, minister of economy and foreign trade, replies to the accusations made against liberalization, to the effect that it has led to a greater increase in consumption, specifically luxury consumption, than in production, by saying, "Notwithstanding my full appreciation for the people making this accusation, and the fact that I agree with them that the consumerist character of liberalization is serious, if it exists, nonetheless, through an analysis of balance of trade data on imports and a breakdown of imports (into basic consumer goods such as wheat, fats, and oils; other intermediate goods; a third category of capital goods; and a fourth category of luxury and discretionary commodity imports), we find that the first three categories of goods account for more than 90 percent of the value of imports, meaning that luxury and discretionary imports account for just 10 percent. It is also difficult to impart a luxury or discretionary quality to most projects producing consumer goods. Shall we consider projects to produce carbonated drinks of a luxury or discretionary nature?" In the opinion of Dr Mustafa al-Sa'id, the most serious real negative feature of liberalization is the import trend.



This import trend, and expansions in it, embody on the one hand the most serious negative effect of economic liberalization on the strategy of self-reliance. The seriousness does not lie in the increased luxury or discretionary commodity imports that that might lead to but rather in the resulting eased importation of massive amounts of intermediary and capital goods that could be processed in Egypt. The continued easing of imports of this sort of commodity, the continued possibility of marketing them for a worthwhile profit, and the continued ease in obtaining means to finance these imports through banks constitute a grave danger to the potential for industrial and agricultural expansion in Egypt - at a time when the potential for our success in realizing a development which is founded on justice and self-reliance depend on the extent of our ability to create strong, competitive agricultural and industrial commodity sectors.

The minister goes on to say that the application of the liberalization policy ought to have taken place in stages. In the first stage, attention was given to creating an atmosphere of trust and confidence, though the price for that was the sacrifice of some other goals. When the economic liberalization policy was stabilized, the time came to set forth society's priorities in a proper order and to purge the applications of the economic liberalization policy of the negative aspects that damaged it.

The eighties and the future of the Egyptian economy:

[I asked] "With the start of the eighties, in the light of foreign and domestic economic variables, it is necessary to stand up to the negative points which the liberalization policy has faced, so that we can at any time eliminate the potential for inflation in the policy when it assumes a form which might threaten and overwhelm the positive aspects of liberalization in the future."

The minister of economy and foreign trade said, "We will set out a number of rules which one must commit oneself to to guarantee the successful attainment of the desired goals.

"With full appreciation for the importance and gravity of the negative aspects and reservations that have been referred to, and the restrictions that they impose on the potential for taking decisions, the problems and difficulties that all this embodies are matters that ultimately can be resolved. What is required is that the will exist and that a commitment be made to the rules of sound scientific analysis.

"Without getting into details on the measures that ought to be adopted, we might content ourselves here with spelling out the broad outlines of the rules to which one must commit oneself and in the context of which it will be possible to adopt such measures. These rules are planning, equity of distribution and democracy.

"A. Planning.

"Since the mid-seventies, it has been observed that the role of planning as a scientific method for guiding the adoption of economic decisions in Egypt has been weak. That could be attributed to the circumstances of military pressure connected to the reconstruction of the army and pressing short-term consider-



ations, foremost among them the provision of supply commodities at a time when the government was suffering from a severe deficit in foreign currency receipts. In the light of these pressures, it is hard to plan for a reasonable period. However, these pressures have diminished to a large extent. While binding central planning is no longer suited to the circumstances and nature of economic liberalization policy, that does not prevent one from resorting to other appropriate forms and methods of indexed planning, especially since there is absolutely no contradiction between planning and encouragement of the private sector. It is through planning that we can guide many economic decisions in many sectors and areas, primarily:

"1. The field of the selection of priorities among projects, especially projects which are submitted and agreed to by the General Investment Authority in accordance with the law on the investment of Arab and foreign capital. We can set out the plan, containing the projects development requires, reach a stage of self-reliance, spell out the priorities among these scheduled projects, and invite investors to carry them out.

"2. The price sector, and efforts at reforming the disruptions that exist in it, and the maldistribution of resources among various areas of spending that results from these disruptions. Duplication in the system of setting prices leads to many difficulties and prevents the guidance of decisionmaking. It is necessary that we direct ourselves, in a planned fashion, to eliminating duality and allow prices to express real social costs, although that should be done gradually in a way that is compatible with the development rates that are achieved and the justice in distribution that occurs.

"3. Guiding the public sector and increasing its capability. Here we must view public sector units as units that are administered on economic bases, and the government must perform its social responsibilities without harming the economics of the public sector.

"4. Subsidization policy and the burdens that it imposes on the general budget, the continued general budget deficit, and the disturbances that leads to in the price structure, and the concomitant need to work to increase government revenues, especially from tax evaders, and guide government spending. This, again, should be done gradually, with attention to the limited income classes that are the essential beneficiaries of subsidies. If there are no means for compensating these classes, then let the subsidies continue and be confined to them.

"5. Limitations on import trends and encouragement of the development of the commodity sectors in industry and agriculture.

"B. Equity of distribution.

"Perhaps one of the most sensitive issues in economic liberalization is that of equity of distribution. Therefore, one of the basic rules is that this policy should be applied by showing consideration that disruptions not arise in this equity. It is in the nature of liberalization policy - especially in its earlier stages - that it lead to disruptions in the equity of distribution as a result of haste on some groups' part to benefit from it, as a result of new opportunities

in the importing, building and construction sectors, at a time when the economy is suffering from big bottlenecks in these two sectors.

"Therefore it has become mandatory that the government be aware of these dangers and cope with these trends. Its major means to that end is to have an advanced tax system, as well as orienting production toward satisfaction of the basic requirements of the majority of the members of society.

#### "C. Democracy.

"One cannot envision the application of economic liberalization, in a manner that will achieve the goals desired of it, without the reaffirmation of democracy in Egypt, with all that entails in the form of freedom of opinion, sovereignty of the law and the people's right to choose who will govern them.

"Arab and foreign investors, as well as domestic investors, will make decisions to invest only if they are confident that the sovereignty of law and a democratic environment exist. In addition, all attempts to guide the public sector must be founded on respect for officials' will to administer and their right to cope with intervention by the executive authorities when that disrupts the guidelines that have been agreed to.

"Democracy, as far as Egypt goes, is not just a political matter related to humans' rights to express their views and choose who will govern them. Rather, it is also an economic matter. Egypt's relative advantage is basically embodied in people, and it would be beneficial if the political system was compatible with this fact, so that people's talents could flourish through democracy and the participation in decisionmaking that that entails.

"All economic development in Egypt, and Egypt's advancement to the stage where it can rely on itself through economic liberalization policy, must be founded on clear democratic bases that will lead to participation in construction by all.

"To summarize, economic liberalization has become an actual fact, and through it achievements have been made in the last 7 years. However, Egypt now faces decisive challenges.

"The past 3 years have witnessed a greater increase in revenues. Will we use them properly by directing them basically toward the creation of a firm productive agricultural and industrial base, or will they be squandered in the form of a probable exhaustion of these resources without the creation of alternative production, with all the risks that it entails?"

11887

CSO: 4504/500

# DETERIORATION IN MEDICAL SERVICES, FACILITIES REVIEWED

Health Fee Problems Analyzed

Cairo AKHIR SA'AH in Arabic No 2497, 1 Sep 82 pp 16-19

/Article by Suhayr al-Husayn:/

/Text/ Medical treatment in Egypt is at a major turning point. The reservoir of confidence in government hospitals has dropped below zero. Private clinics have become crowded in an unprecedented manner. Lines stretch out before doctors' doors until the dawn hours. The law of supply and demand has played its usual role: the price of examinations in clinics has leaped from 1 to 5 pounds, then to 10 pounds. Senior professors have set prices which go as high as 20 pounds for 10 minutes they give the patient in their clinic. If they visit the patient at home, the fees may go to 50 pounds. As a consequence, the prices of surgical operations have soared to figures which would have been enough to give a patient a lethal heart attack had he heard them a few years ago. The simplest of operations in a private hospital costs 500 pounds today. An ordinary delivery costs 300 pounds. The costs of caesarian sections come to 1,000 pounds. Major surgery costs a small fortune. A figure of 3,000 pounds has become normal for some operations, and there are bigger figures.

Of course, investing in the field of medicine and treatment turns out to have been a very shrewd move, especially since government treatment organizations seem as if their decline rate is increasing and the commerce of medicine, or "commercial medicine," has become active in the broadest sense. Investment hospitals have appeared, in some of which the cost of a room comes to more than \$150 a night, excluding other expenses and doctors' fees.

Egyptians stand in astonishment in the face of all this. They have faced their three main enemies--poverty, ignorance and disease--since the start of this century, and now that the century is approaching its end, no victory has been achieved.

The catastrophe is that people feel that they can bear up under the hardships of poverty and the sufferings of ignorance, but no one can cope with disease. Patience is difficult and perhaps out of the question in the face of the adversity of pain.

As AKHIR SA'AH opens the file on treatment in Egypt, it does not intend to draw the reader's attention by setting out provocative facts. Rather the goal is to have us stand in the midst of the heaps of negative features that fill the field

of treatment, wonder where it is headed, then try to seek honest answers, and take efforts, along with others, to search for a solution, which we must come up with as soon as possible.

People are flabbergasted over the increase in doctors' prices. With some doctors, examinations have risen to 40 or 50 pounds, in exchange for a small prescription which one can get from any resident doctor. However, if--God forbid--there is an operation, the figures rise to 4,000 or 5,000 pounds. It is true that costs have risen, but doctors' "fees" have registered a tremendous upsurge, in a manner that has come to threaten the lives of millions of patients in serious matters that are a question of life or death.

What is behind this phenomenon?

Who is manipulating it behind the wings?

A few doctors, all doctors, or the community of patients themselves?

In an attempt to discover the real reasons for this crisis, AKHIR SA'AH met with a number of responsible people at various medical levels. It met with the minister of health, the chairman of the Academy of Scientific Research, the head of the Doctors' Union, professors at the Medical Academy, the director of a government hospital and the head of a department in a medical faculty.

What did they say?

**Doctors' Fees Are Not My Field of Specialization!**

At the beginning, we asked the top health and treatment official in Egypt, Dr Muhammad Sabri Zaki, minister of state for health:

"What do you think about the level private treatment rates have reached in Egypt, which is an inflated level out of line with the economic level of the Egyptian people in general?"

The minister replied,

"When I talk about the high prices of private treatment as a minister of health, I mean the costs of treatment in hospitals, that is, room and bed, operating room charges, food, nursing care and so on. However, doctors' fees are not my field of specialization. Nonetheless, I am trying, along with the Doctors' Union, to reach agreement on a method that will satisfy the doctors and be reasonable as far as fees go. However, what concerns me most of all, as I pointed out, are the rates in medical installations and finding places where people with limited incomes can get treated. However, I cannot issue price lists for doctors and demand that they observe them."

/I asked/ "Out of humanitarian sentiment, and not from the vantage point of your ministerial position, are you happy with the level doctors' fees have reached now?"



/He said/ "Out of humanitarian sentiment, I can only urge my doctor colleagues not to go to excess in their fees. In addition, of course, I am now making efforts with the union to solve the problem of private treatment in Egypt in general."

#### Alleviating Suffering

/I asked/ "You mentioned that it is not your responsibility, as a minister of health, to reduce private treatment costs. What is the Ministry of Health's role in alleviating patients' suffering in Egypt?"

/He said/ "Recently my thinking has been proceeding along a number of axes, in an attempt to come up with a system of treatment at reasonable cost which can be borne by the incomes of the overwhelming majority of patients in Egypt. For instance:

"We have started expanding the low-cost treatment system and encouraging specialists to work and raise their levels in terms of treatment and room and board so that it will be possible for people with limited incomes to turn to this sort of treatment and not be compelled to resort to high-cost private care.

"The ministry is also now devoting itself to enlarging the health insurance umbrella to cover new groups of people, all of whom have limited and average incomes."

#### Insurance Has Not Been a Failure!

/I stated/ "It is well known that the application of health insurance in Egypt [as published] and the proof is that it has not been possible to protect patients undergoing private treatment from exploitation."

The minister did not agree with this view. He said,

"People who say that health insurance has not been a success in Egypt do not know anything about insurance. Insurance has been completely successful in Egypt. It has added something new in that it has been made available to groups that basically had been deprived of treatment, such as private sector workers."

#### I Am Not Content!

/I asked/ "As a minister of health, are you content with the service level in government hospitals?"

/He replied/ "I certainly am not content with the level that now exists. However, to ensure the success of service inside government hospitals, three basic things must be made available to them:

"The allocations provided in the budgets.

"Proper conduct by the patients benefiting from the service in the treatment unit or hospital."

#### The Oppressed Countryside!



/I asked/ "What is the minister of health's opinion on the subject of the paucity of doctors in rural health units?"

The minister said, enthusiastically,

"The phenomenon of young doctors' reluctance to serve in remote areas, and their efforts "through intermediaries" to move out of them, has become a problem for me. To that end, I have made up a system of appointment for 2- or 3-month periods, according to the type of specialization, for service by recently graduated doctors in remote governorates. The ministry has set out a system for distributing graduates through a special coordinating office, after they have completed the residency period for doctors, and the doctors' grade averages on graduation will be the only determining factor in the distribution."

#### The Start Is in the Medical Faculties

/I asked/ "It is well known that the crisis of treatment in Egypt starts in the medical faculties, which admit large numbers of people, affecting the level of teaching services offered. When will the ministry intervene in setting the requisite numbers?"

The minister replied,

"I have actually submitted a memorandum which actually refers to the figures I consider appropriate for admissions to the faculties of medicine, dentistry and pharmacy. My memorandum is the object of close attention on the part of the minister of education."

/I asked/ "After all the future plans I have mentioned for raising the treatment level, when will we, as citizens, in your opinion, be able to sense such an improvement?"

/He replied/ "All my hopes, after relying on God, are that I can be able to raise the level of free and low-cost treatment in the units belonging to the Ministry of Health, or the different types of health insurance, which will guarantee citizens with limited incomes that they can find worthwhile care without being burdened down by it. We for our part are constantly engaging in followup and are getting in touch with our colleagues the governors in order to make up for the shortage in public and central hospitals, as far as circumstances permit. We for our part have given special /attention/ to remote areas, and incentives have been provided for young doctors and nursing staffs to encourage a willingness to serve in these areas."

#### The Role of the Union

Dr Ibrahim Badran, former minister of health and president of the Scientific Research Academy, talks about the reasons for the high prices of private treatment, saying:

"The prices of all commodities, from shoestrings to gold, have risen in the context of international prices as well. However, in my opinion, as far as Egypt

goes, rules must be set out to prevent the exploitation of citizens, especially since most of them cannot cope with these prices."

/I asked/ "A rise in prices, in the case of any commodity, might prompt people to do without the commodity, but, as far as health goes, the case is different. Isn't that so?"

/He replied/ "In reality we are not an extreme socialist society, nor a free capitalist society. We are a middle-of-the-road society that still is poor. Therefore rules must actually be set out regarding private treatment rates by the union, in cooperation with the medical societies, to preserve Egyptians' right to good care at acceptable prices. In addition, rules must be set forth in the case of new hospitals which raise their prices to an intolerable level."

#### A Limited Group of Doctors

Dr Ibrahim Badran went on to say,

"As regards people who have raised their prices, they are a limited group, and do not include all groups. There are old doctors on whom the pressure in clinics has increased; in order to preserve their health they have raised prices! This is their right, to keep themselves from leaving their door open to every sick person. They are not a human treasure which must really be preserved. There are dozens of capable people in the younger generations within reach of sick people at reasonable prices. If a famous doctor takes a pound for an examination, he will die after a month of heavy pressure; that makes him raise his prices, so that he can reduce the pressure on him."

I stated, "So only the affluent can benefit from these professors' expertise, but sick persons with moderate incomes do not have the right to go into such clinics."

/He replied/ "In my opinion, the best way to solve the problem is health insurance. That system resembles medical health insurance, since the government participates with the employer and the sick person; they all contribute to the costs of care and the establishment of institutions which are able to operate an integrated health system to cover citizens' prevention and treatment needs."

#### Health Insurance Has Been 100 Percent Successful

/I asked/ "Do you believe that health insurance, in the form in which it is now applied, in the proportions by which it has been promoted, might be a successful alternative to private treatment?"

/He said/ "In my opinion health insurance has been 100 percent successful in Alexandria, because the experiment has had the time, scope and hospitals to support it."

/I asked/ "What about Cairo? Has the health insurance system been a success?"

/He replied/ "A few thousand people are benefiting from this system in Cairo. The system is still in its infancy. In order to promote it, the government must take it up as a basic slogan for propagating health services and must intervene in three areas in cooperation with the Ministry of Health: preventive medicine, industrial safety and environmental protection."

/I asked/ "Could the new generation of young doctors constitute a solution in the future to the problem of private care and the insane rise in doctors' fees we are all suffering from now?"

/H answered/ "In my opinion, there are numbers of doctors in the new generation whom one can expect to be better than previous generations. I believe this, through experience. They include gifted people whom we ought to promote, keep from going astray and put on the proper road, so that they can advance, with the ability and knowledge God gave them, by providing them with good hospitals and the like. Then we should set out professional laws and rules for them."

/I asked/ "What is meant by vocational rules?"

/He said/ "That is, we should set out laws and statutes for them that they will not overstep, because we are a country, we are not a desert that does not deal with its own property."

#### The Deficiency of Free Treatment

Finally, we met with Dr Hamdi al-Sayyid, chairman of the Doctors' Union, and asked him:

"Now what does the chief of the Doctors' Union say about the reasons for the insane rise in private treatment prices in Egypt?"

/He replied/ "The cause is very obvious, and that is the deficiency of treatment services in government hospitals. Ordinary citizens are not content with the level of this service, and a large number of citizens, even people with meager resources, are compelled to borrow money and rush to get treated by private doctors. The government is supposed to provide them with their basic needs in the form of treatment, preventive care and emergency services without charge or at least at a low charge. The second cause of the problem is that health insurance has become a basic demand, not just in poor countries but also in rich ones. In America only a very small group can afford private treatment; everyone is covered by insurance, in the sense that the problem of private treatment is an obligation not just in developing countries but also in advanced ones."

#### 10 Hospitals Shut down!

/I asked/ However, the economic level of patients in Egypt is not in keeping with the insane rise in the prices of private treatment now."

/He replied/ "Therefore I say that the government must raise the level of free and emergency services and rates so that any citizen who feels ill will not go

knocking on the doors of a hundred doctors who will take an arm and a leg from him because they have stood over him half the night or visited him. All these services are available in all the countries of the world, be they capitalist or socialist."

The head of the Doctors' Union continued:

"Why isn't health insurance widely applied, as it was expected it would be when it started in 1964? The group of people benefiting from it, after 18 years, still does not exceed 2.5 million; that is, there are 41 million citizens outside the health insurance umbrella."

/I asked/ "What is the meaning of a health insurance system?"

/He replied/ "The meaning of the word insurance is that I, a citizen, should not have to put my hand in my pocket to pay fee for a doctor or for treatment, but rather that some amount of money should be taken from me, in accordance with my income. Naturally, in order for most forms of health insurance to be widespread, large resources are required. When we made a study, we found that in order to apply this system in Egypt we would need investments, in the next 10 years, starting at 50 million pounds the first year and ending at 800 million pounds the last year. This computation concerns prices now, on the basis that the system would be applied to 44 million citizens in Egypt in 1990, with the costs of course including the beneficiary's contribution of a portion of his income."

I said:

"It has been noted that alongside free treatment there is private treatment at very high cost. There is no treatment for the middle class, which subjects it to pressures from both systems. What is your opinion?"

/He replied/ "I think that the time has come to think about that. There is a large class of citizens, about 30 percent of the population, the middle class, for instance government employees and professionals who are not prepared to go to a government hospital and lie on a broken-down bed or on the floor and who cannot stand in a hospital line 2 kilometers long. This class includes people at a level as high as deputy ministers with a salary of no more than 120 pounds. If we give this class 20 percent of the Ministry of Health's beds for a reasonable fee, with the best lodgings in them, and I put afternoon clinics in them, improve the service in them, and furnish them with fans and chairs fit for a general manager who will go to sit down in a clean place to get examined, have a medicine prescribed for him, and have it dispensed to him at the official rate in a room with two beds and a clean nurse to serve him and smile, that is what we call low-cost treatment."

/I said/ "I believe that there now is what they call low-cost treatment in government hospitals, but that it is absolutely unsuccessful."

/He answered/ "The low-cost treatment that is being applied in hospitals now amounts to a very big lie. They take 10 or 25 piasters from patients and 1 pound for an operation. It is novice doctors who perform the operations and the consequence is that this system really has failed. However, I am talking about



carefully guided private treatment for reasonable fees, taking 1 pound from a patient for an examination; the government gets 50 piasters and the doctor gets 50 piasters. I give them X-rays at cost plus 50 piasters, put them in a bed costing 2 or 3 pounds a day and give them a tonsil or gall bladder operation costing no more than 20 or 30 pounds, on condition that the service be serious and sanitary and that specialized doctors perform it who are at the level of assistant professors or instructors, not more, and cannot make enough to meet their basic needs, though they are trying to. These doctors have doctors' degrees but cannot find clinics and cannot get enough to eat. Among them are people who have been looking for work in Arab countries. We give out 2,000 doctors' degrees a year and 1,500 masters' degrees and diplomas. Unfortunately, however, when you come to say this, you find people becoming tense, getting nervous and vying with one another to say that you are trespassing against the rights of poor people and free service!"

### The Responsibility of the Media

/I asked/ "What is your explanation for the fact that a few doctors, no more than 100 in number, have this sort of big following? This number does not increase as the years go by, although the number of medical faculties has risen from three to 12?"

/He said/ "The reason for this extreme following among a few doctors, and I say this frankly, is the media and the press. Nobody talks about any problem except such and such a person who talks about his accomplishments and his achievements. We have approached them many times, and they say 'It is the press that is running after us.' We have warned our brother journalists, and we have said, 'This is a national responsibility and you are the reason why sick people vie with another to go to a certain group of doctors.' We are human beings. I do not feel that there are sick people rushing after me and grabbing me by the wrist. I work 12 hours in my clinic and the more I raise prices, the more receptive people get, in the sense that sick people, instead of rebuking doctors who charge a lot by staying away from them, crowd around them even more. Many sick people ask me to mediate so that I can speak to a doctor and get him to move an examination date up, from 2 months to 1 month. Why? There are doctors whose clinics are open, who take a few piasters and who get no patients. They are competent but their fault is that they want a people's clinic that has nothing to do with high prices. Other doctors have diplomas and expertise and can't find enough to eat. Who is responsible for this bad system in the country, where people who want to set up a clinic don't know how to and don't have 50,000 pounds with which to buy a clinic, while at the same time I have hospital equipment which does not work and cannot tell an assistant professor, 'Go work in a government hospital for 10 piasters?' That kind of thinking is unreasonable, and all this because of the slogans about free treatment and medicine. The government is in debt and has a deficit of 4.8 billion pounds. When I raise the price of examinations to 50 piasters we meet with intense resistance, especially on the part of local government agencies, our brothers in the people's assemblies. How can I offer good service to people who are all living below the poverty line and tell orderlies, medics and doctors to work and provide good service?"

"I cannot say that I will not perform an operation except for so-and-so in such-and-such a hospital where people pay 500 pounds, then yell, no. This is the



responsibility of the government, to subsidize what we call guided private treatment."

#### The Broken-down Equipment Just Belongs to the Government

Dr Hamdi al-Sayyid went on:

"Let me give an example. The government was being perceptive when it found that the kidney failure departments in government hospitals could not cope: it reached contracts with private hospitals to send the patients to them and pay for them. The government ought to take this sort of stand with respect to some rare specializations; we do not have enough people in heart surgery departments, brain surgery, or neurology, so why doesn't the government reach agreement with such departments in private hospitals, instead of having the patient go abroad at a cost of 10,000 or 20,000 pounds sterling? Let me, as the government, send him to a private hospital and reach agreement with that so that it will not rob him, until the government can meet all its technical and medical resources in government hospitals."

/I said/ "There are government hospitals which have the most modern high-priced medical equipment, but this equipment quickly breaks down, in a month at the most, in government hospitals, while it works well for years in private hospitals and clinics. What is your explanation of this?"

/He replied/ "The reason is very obvious. That is that university hospitals are teaching hospitals and the equipment is available to everyone, whether or not he is qualified. I cannot have a piece of equipment come in and not train doctors in the hospital in it. This equipment certainly has a very advanced technology and requires special treatment and special expertise, and the life and work of doctors in clinics who pay 100,000 pounds for a piece of equipment depend on this work--if the equipment breaks down, the work stops. Therefore they treat it with the utmost care and provide maintenance for it. However, government hospitals can buy equipment without maintenance. All this equipment works on sensitive buttons but unfortunately Egyptians do not yet have respect for machines. Laser equipment costs 300,000 pounds, which is a tragedy; all this equipment in the government hospitals is broken down, it has no maintenance, and this is a crime. Why isn't there a central agency to purchase this equipment in the government, to ensure maintenance and training and get in touch with the company, in the event the equipment breaks down? Who benefits from this chaos? The private sector. It benefits from the inadequacies of the government and the health sector, and that is one of the reasons for high prices in the private sector. All these accumulated problems are present. The health sector has been deficient in performing its duties. Part of this deficiency is not its fault but part of it is the result of poor management and the failure to raise the level of performance. Government hospitals must seek intrinsic resources which are totally free from 'improvisation.' Today the salary of a doctor in a government hospital is 40 pounds, and he cannot earn a living. The government has had to sacrifice a little this year and the health budget has risen to 100 million pounds in investments; this should be considered a record figure. As far as current circumstances go, it is reasonable, provided that we procure the rest from our own resources and contributions from reasonably solvent people who are caught between private treatment and free treatment and cannot afford either."

## The Union's Responsibility

I asked the chief of the Doctors' Union: "What is the union's role and responsibility in limiting these terrible costs of private treatment?"

/He answered/ "If the union has played a role in setting doctors' prices, it has been a 'patchwork' role. I would like to know how one can set prices in a profession which is pursued through private relationships behind closed doors. Shall I tell people 'Conduct an examination for such-and-such or I will prosecute you?' The union's role is that I create new job opportunities, improve the performance level in the government system and defend health insurance because the various agencies want to stifle it because it will not advance their interests. It is against our interests to defend health insurance and free treatment.

"When I talk about guided private treatment, I am trying to open clinics, we have numerous agreements with the Governorate of Cairo to open new clinics to be deeded in collective form to doctors, and we are trying to set forth working rules for them."

/I asked/ "Has this project actually been started?"

/He replied/ "Agreements have been made in Cairo Governorate to allocate a number of ordinary new housing apartments which we will deed to a number of doctors on a collective basis through the union, so that they can work during more than one period and offer more than one specialization at acceptable prices."

Dr Hamdi al-Sayyid went on, "The question is one of supply and demand, because it is extreme congestion which is causing the loss of morality in the profession. When a patient comes, he does not want to wait his turn, so he pays more to go in on an urgent basis. The doctor starts to segregate ordinary from urgent patients. Who created these urgent patients? A class of people with large incomes who use money to corrupt the profession."

/I asked/ "Don't you consider that patients sometimes are forced to pay for urgent service because when they try to reserve a turn they are given an appointment in 3 months while it is possible that their illness might not be able to stand for such a wait?"

/He answered/ "If I were that patient I would boycott that doctor and go to another one who was not occupied and would admit him at once!"

/I said/ "The patient might go to a doctor who is at a lower level and price, and then his pain increases and he is compelled to go back to the doctor with the higher price and pay for an urgent examination; he is compelled to do this under the pressure of pain."

/He replied/ "I am not talking about young novice doctors. I am saying he should go to another doctor at the Ph D level who is at least an assistant instructor. Speaking frankly, I can say that a doctor who graduated 3 years ago can treat 70 percent of my patients at my level of competence, but there are starting to be

people who worship names--if they suffer from a cough they have to go to professors of respiratory diseases. Nonetheless, going by international medical experience, just 15 out of every 100 patients need specialized doctors, while 85 percent of them can be treated by general practitioners. However, for me to insist on a specific doctor, go into debt and travel all over the country, then have him examine me and then come back and scream--no."

#### The Mistake Is the Patient's

In an attempt to shed more light on the reasons for the emerging crisis in private treatment in Egypt and the insane increase in treatment costs, AKHER SA'AH met with Dr Muhammad Rami, professor of osteopathy in the armed forces and the Military Medical Academy. He said,

"There are a number of reasons for this phenomenon and the fact that it has grown to a point where it has started to plague the overwhelming majority of sick people in Egypt. Perhaps the first and most significant of these reasons are the media, which have accustomed themselves to concentrating the limelight on a number of doctors, turning them in a few months into stars of the medical world, regardless of their scientific knowledge, which is not commensurate with this fame."

Dr Rami went on:

"However, there is another kind, including old university professors whose health will not allow them to sit in clinics for long periods or perform many operations. In order to keep up with inflation and maintain health and appearances, they have to raise their prices.

"The third kind are the people who go overboard in opening clinics and are anxious to buy the most modern medical equipment. This group must also raise its prices to meet its expenses.

"Nonetheless, these groups all account for only a very small group of doctors who can almost be counted on the fingers of one hand in any specialization, as compared with the number of doctors in Egypt now, who come to about 58,000, have high expertise and competence, and have obtained the best certificates abroad."

#### Egypt's Prices Still Are the Best

/I asked/ "What is your opinion about the level of free treatment in government hospitals now?"

/He replied/ "In actuality, the slipshod nature of free treatment and the lack of resources for it must be considered a basic reason for sick persons' receptivity toward and intense patronage of private care in spite of its high prices. This in my opinion is a consequence of the economic problem the government is suffering from now."

/I asked/ "If we compare the prices for private treatment in Egypt with prices abroad, people will say that the prices of treatment, operations and hospital

board in Egypt are greater than the prices of such services abroad."

/He said/ "That is 100 percent incorrect. The cheapest doctor in London on Harley Street, which is the equivalent of Bab-al-Luq Street in Egypt, being one where a large number of doctors is concentrated, gets 70 or 80 pounds sterling, and in America they opt from \$100 to \$200.

"What we should point out, however, and try to find a rapid solution to in Egypt, is the fact that free treatment here represents a testing ground. A professor gives a lecture once a month and performs an operation once a month, while the people who work in free treatment are deputies and instructors. This is the result not of a shortage of professors or assistant professors with exceptional qualifications but rather of the poor level of incentives and the poor organization in these hospitals."

#### The Lack of Expertise and the Reasons for It

/I asked/ "What is your explanation for the mediocre level of recently-graduated doctors now? Can this be attributed to the great numbers of people the medical faculties are admitting every year?"

/He said/ "The system of teaching is exhausting. The resident doctors in a department now come to 100, whereas there were two or three in the past, and the same is true of deputies. Therefore the expertise doctors acquire in their work as deputies drops and the number of operations is divided among all these people. In addition, devoting oneself full time to university study at these token salaries is difficult. Today studying full time is hard in itself. Young doctors are always looking for additional sources of livelihood so that they can complete their research and buy their books, whose prices have risen greatly. In addition, the costs of living have risen in general; instead of devoting themselves full-time to study, these doctors go work in dispensaries, and open clinics in common sections, and all this takes up their time and diverts them from studying and learning. Education is a stage that takes expenses, material resources and full-time attention. Only a very small number of students can provide that today."

He went on, "The same is the case with respect to medical faculties. The numbers of students are large; some people can see but not hear /the lectures/, and vice versa. The auditoriums are congested and the method of teaching that existed in 1930 still exists in 1982. Professors go in, write on the blackboards and lecture. Where are the visual aids? Where is the experience the students get from actual practice? For this reason students rely on theoretical works and books, and that makes it very hard in a medical faculty."

/I asked/ "What is the solution to this problem, in your opinion?"

/He replied/ "The cause of this problem, same as with the problem of food, education, communications and all the other problems, is a lack of necessary resources and the mediocre performance level.

"However, the solution as far as the problem of private treatment goes might, I believe, lie in health insurance in the body of specialized clinics and



scientifically qualified high-level doctors who are available full time if they are given reasonable salaries which can help them devote themselves full time in this manner. Thus it would be possible for the system of health insurance to succeed in Egypt, as it has previously succeeded in all the countries of the world, advanced and developing alike."

#### The Budget Is Very Deficient!

In a government hospital, I met with Dr 'Abd-al-Fattah Shaybah al-Hamad, director of the al-Jala' specialized maternity hospital. We spoke for only a few minutes; he broke off the discussion, saying:

"I have only two words to say: The budget allocated to facilities is very deficient. The amount of money I have at my disposal is not enough for me to develop or pay off my debts. This year 250,000 pounds have been allocated to this hospital. I have an electrical hookup the Electric Company installed, and that by itself needs 108,000 pounds."

#### In Alexandria the Situation Is Better

On the phenomenon of the high cost of private treatment in the city of Alexandria, Dr Ahmad 'Abd-al-Raziq Sa'd, chairman of the Department of Surgery at the Faculty of Medicine in Alexandria, said,

"I believe that Alexandria does not suffer from the phenomenon of high prices for private treatment in the clear manner in which it manifests itself in Cairo. For example, doctor's examinations here range from 10 pounds to 15 at the most."

/I asked/ "As far as you, as the head of a department, go, what do you think about having senior professors go to university hospitals once a week to outpatient clinics? Otherwise, beginning doctors and indigent patients will not benefit from their experience."

/He replied/ "The system of university hospitals in general is that of teaching academies. Meanwhile my office is always open to every resident doctor, lecturer or instructor and they can present any number of cases for an opinion."

"However, I cannot go down to the outpatient clinics, because our outpatient clinics are chaotic and it is impossible for me to work in a clinic that is patronized by more than 200 patients a day."

/I asked/ "What is your explanation for the fact that a narrow spotlight is directed at a very small number of doctors, even though the number of medical faculties and professors in them is very large?"

/He replied/ "I believe that a purely personal element in the case of the doctor lies behind this phenomenon, because most doctors do not try to improve their educational level and only a few of the people whom you are now mentioning do. Nonetheless, many patients consider that a person who has a bachelor's degree knows everything and is no less than a professor in any way!"



/I asked/ "Do you believe that the deficiency in scientific ability among doctors is the result of a deficiency in the education they have acquired or the result of the fact that many professors are now ungenerous with their expertise among their students and aides?"

/He said/ "I do not believe that there are professors who are ungenerous with their expertise among his students. Even if they do not permit this information to be divulged, I believe the assistant doctors will inevitably observe them at work and learn from them, then read about the information they have acquired. However, what is being mentioned now is the result of a form of laziness and an attempt to justify this laziness by casting the burden on the preceding generations."

#### Unsanitary Hospital Conditions

Cairo ROSE AL-YUSUF in Arabic No 2830, 6 Sep 82 pp 19-21

/Article by Zaynab Hamdi/

/Text/ Infections have been occurring in a shocking manner in some hospitals; it has become commonplace for a patient to go in for a simple surgical operation such as an appendectomy and then to be afflicted with peritonitis or gangrene.

More than one operating ward has been shut down and some hospitals have been evacuated. The reason is the red peril.

The question now is what has been going on in restricted areas in hospitals? How is it that all passersby have been allowed into them, with no attention to the rules of public sanitation?

We carried out this investigation in some hospitals.

#### The First Scene: Health Specifications

The operating ward of the 800-bed al-Husayn University Hospital was closed down more than a year ago, following repeated breakouts of infection in it, and the spread of germs through the hospital, as a result of which patients were evacuated from the hospital and the hospital was shut down more than once in 6 months.

Dr Ahmad 'Isa, director of the hospital, explains the causes for this by saying that the buildings do not conform to health conditions and specifications. Sewers are right next to operating room walls and are constantly overflowing and seeping into the walls, thus threatening them with collapse. The plaster was eaten away and the roof destroyed in an operating room as a result of constant seepage from a sewer into the walls, which caused repeated cases of infection and the spread of germs, especially tetanus and gangrene, which in medical language is called the red peril. The operating ward in the hospital actually has been permanently shut down for an unspecified period, and the patients who were to be operated on were transferred to the Sayyid Jalal Hospital while a new operating department could be built which conformed to health rules.

### The Second Scene: Unsterilized Clothing

In the 600-bed Sayyid Jalal Hospital, I discovered that the clothes I put on were not sterilized, as the doctor informed me, and that anyone could go into the operating ward.

I personally went in and walked around and no one questioned me. When they found out that I was a journalist, the doctor got a nurse, through a sudden gesture, to bring some clothes and asked me to put them on as a form of protection against germs as they were sterilized. The clothes were tattered, consisting of a smock in a deplorable state and two foot covers which were wrapped around the feet but concealed nothing because they were full of holes.

Everyone is supposed to wear this clothing when he enters the operating ward so that his clothes and shoes will not spread germs.

I was struck by the fact that no one was wearing this sterilized clothing; when I asked the doctor I was talking to why he and others were not wearing that clothing, he replied that just relatives and guests did--as far as the employees went, there was nothing to worry about.

I was amazed at the sagacity of our germs and microbes, which have become so shrewd and aware that they can differentiate between strangers and visitors and people working in the hospital.

In the room where the operating covers and sheets are kept, dust covered everything. The windows in the cupboards were broken and covers protruded from them--almost dropped onto the floor.

I realized that besides storing operating room covers, sheets and beds, the rooms were used as a place where guests waited and nurses sat around and changed clothes.

### The Third Scene: Primitive Sterilization Methods

There are about 40 operations a day in the operating ward in the 260-bed al-Munirah Hospital. The first thing that greets one is the smell of sewers, which clogs one's nose. As for the windows, the wooden frames with which they are fixed to the walls have become loose and there is a space of not less than 3 centimeters between them and the walls, permitting a breeze to blow in constantly from outside.

The first thing you see out the windows is a spectacle of garbage bins which have been put right next to and against the walls of the hospital on which the operating rooms abut. Around and on top of those heaps of garbage swarms of flies and flying insects have collected.

Sterilization here is done by primitive, outmoded methods such as soap, brushes, ordinary boiling and detol, which has been proved not to eliminate germs.

Dr Mahmud Ziyadah, the director of the hospital, says that the hospital was built in 1870 and no repair or maintenance has yet been carried out in the building,

including the operating rooms. In addition, the hospital was not built on sanitary bases, the sewage system is delapidated and is right up against the operating room walls, and the sewage pipes leak into the rooms.

In such circumstances, as Dr Ziyadah says, breakouts of infections are a normal occurrence, in spite of constant sterilization activities.

He explains the recurrence of infections by the fact that the hospital is located near the slaughterhouse and also by people's conduct: patients come in with their clothes stained with the blood of slaughtered carcasses, which are a direct source of germs, especially tetanus.

Since they are badly wounded, they go into the operating room, and the people with them, who are generally their friends, forcefully insist on going into the room with them!

In one hospital, in the low-cost treatment ward, a patient informed me that she had spent 3 days waiting for an operation because there were no forceps in the hospital; in the end, the doctor was compelled to bring forceps from his own home, after she had told him that she had left her small daughter with neighbors for 2 weeks and could not wait any longer.

#### The Fourth Scene: Sewers Everywhere

At the Umm al-Misriyin Hospital, the sewers are overflowing most of the time into the operating ward and the toilets in the hospital.

The tiles have disappeared and one can see only packs of cigarettes, soft drink bottlecaps and empty medicine bottles.

The washbasins in the operating section have been corroded and have lost their color because of the spread of rust. Most of the taps do not work. One cannot make out the colors in the bedsheets because of the many stains on them. Vendors wander around inside operating wards; you can almost hear their voices inside the operating rooms. Patients enter the operating rooms in their own clothes. There are no special operating rooms for highly infectious operations. Nose and ear operations take place where intestinal and bone operations are performed.

#### The Fifth Scene: In the Private Sector As Well!

In the private hospitals the situation is not much better. In one of these hospitals, an anesthesiologist and university professor informed me that his pregnant wife had a miscarriage early in her pregnancy and he was forced to give her an operation in a private hospital to stop the hemorrhaging. At the last moment he discovered that an operation to remove a cyst had taken place in the operating room a few minutes before. The doctor refused to do the operation on his wife and preferred to let the bleeding continue because he knew, as he told me, the risks and complications his wife could be subject to if the operation was done on her in the same room.

After that I learned that this hospital was closed for good because of the repeated infections within it.

Another private hospital had been a villa, was transformed into a hospital and uses a small annex in the garden as a place for operations.

In this hospital, patients are transferred from the operating room to their own rooms in the main building directly in the open air.

Unfortunately, most private hospitals, except for hospitals which have been erected recently, still use primitive methods of sterilization--soap, detol, brushes and kerosene--in spite of their high treatment fees.

A famous surgeon, who refused to allow his name to be mentioned, told me that the situation in private hospitals is not much better and that the reason why infections did not appear as frequently as they did in public hospitals could be attributed to the frequent doses of antibiotics and medical attention the patients get: each patient has his own doctor to look after him.

In some hospitals I saw cafeteria workers go into operating rooms and doctors sitting around smoking cigarettes in operating rooms.

#### Complications

What, however, are infections? How do they occur and what complications result from them?

Infections, in the language of medicine, occur when germs enter the patient's body as the result of surgical incisions during and in the course of, or directly after, the performance of surgery.

Dr Ahmad 'Isa, the director of the al-Husayn University Hospital, says that there are very dangerous germs that produce infections such as tetanus and gaseous gangrene. These are among the most dangerous germs to attack the body; they feed on tissue and live on the smallest amounts of oxygen, and this gives them the chance to reproduce and spread in a dark atmosphere devoid of oxygen. These are lethal germs; they make it necessary to amputate the affected limb and can lead to the death of the patient.

There are also (seborrhea) germs which cause inflammation of the flesh (erysipelas) and cluster germs which cause ulcers and chronic abscesses, along with festering poisons, microbes in the blood, eruptions of wounds, abdominal cysts, and other complications.

There are contagious liver inflammation viruses, germs which attack the chest during operations on bronchial tubes and peritoneal inflammations. Any infection in the tissues of the brain means "may God have mercy on the patient."

Dr Hasan Bilal, the famous surgeon and media consultant to the minister of health, says that the most minor cases of infection cause delays in the patient's recuperation and increased pain and treatment costs for him. In an appendectomy, for



instance, the patient is supposed to leave the hospital a week after the operation, but in the event the wound is infected the patient can stay for 20 or 30 days.

The importance of the patient's rapid recuperation becomes clear when we realize that we suffer from a shortage of beds. We have about 1.4 beds for each 1,000 inhabitants and the rate is dropping; in addition, there are the costs of drugs, changes of materials, and analyses.

Who Is Responsible?

Who, however, is responsible for proper sterilization in the operating room?

Dr Mahmud Ziyadah, a surgeon and director of the al-Munirah Hospital, says:

"Surgeons and doctors are certainly not responsible for proper sterilization before operations. Rather, a single person within the hospital is generally responsible for proper sterilization in operating rooms and only the hospital director oversees him. In the face of administrative responsibilities, alongside other responsibilities (the director is generally a surgeon and some surgeons perform more than one operation a day), the only overseer becomes one's conscience!"

What is the most modern sterilization equipment?

Dr Salah al-Khatib, professor of anesthesiology, says that tremendous developments have taken place in sterilization equipment in the last few years.

For example, there is the sterilization of hands by ultraviolet rays and the use of bacteriological filters through which germs cannot pass to sterilize hands, so that the operation can be guaranteed to be 100 percent sterilized, in place of the use of soap and brushes, as is done here now: it has been proved that brushes work to remove germs from the pores of the skin.

There is also the use of chemicals instead of manufactured detergents; it does not take more than 2 minutes to use these chemicals, and that saves the time of the surgeon and the doctor.

There is the use of special tapes to confirm that clothing has been 100 percent sterilized, along with the towels used during operations, and the use of hot air furnaces whose temperature goes above 300 degrees centigrade to sterilize surgical instruments that are damaged by steam to kill germs that form blisters and sacs, such as tetanus. The sterilization process does not take more than 2 minutes, while sterilization by water takes about half an hour at least.

Dr al-Khatib adds that sterilization abroad is now done by central organizations covering a city or hospital and it is not confined to operating rooms--rather, it also is used for rooms for changing dressings and patients' rooms.

The Last Stop!

At the end of the tour, we emerged with some facts:



Most operating wa-  
cations.

Most of our public and private hospitals do not have special rooms for infectious operations.

Most of our public and private hospitals use primitive, outmoded sterilization equipment.

There is no oversight over sterilization activities in hospitals.

There are not enough clothes, and patients go into operations in their own clothes.

In addition, sewers are backed up inside and outside the hospitals.

The victims are the patients and the reputations of Egyptian surgeons who are so bold as to perform surgery in the circumstances they do and realize the success they do.

Finally, we ask: who will rise up to resist the red peril in our hospitals?

We are waiting for an answer.

11887  
CSO: 4504/526

REPORT ON WOMEN'S ROLE IN WORK FORCE, FAMILY DISCUSSED

Cairo AL-AHRAM in Arabic 30, 31 Aug 82

[Article by Ahmad Nasr al-Din]

[30 Aug 82 p 3]

[Text] Will working women go back to being full-time homemakers?  
A study by specialized national councils reopens discussions  
on the question of Egyptian working women.  
Employment for Egyptian women is not an alternative to family.

The hardships endured by the Egyptian household and by the Egyptian family in its entirety were confirmed after homemakers left the home in search of careers and entered all areas of employment. Every member of a family paid a high price for that, and this leads us to a question that was raised by a most important study:

Will working women go back to being full-time homemakers? Has the presence of women in the workplace become a necessity required by the work itself and by the fact that a woman's employment provides a family with a new source of income?

The Education Branch of the National Council of Education, Scientific Research and Technology has presented a study about the conditions of Egyptian working women. The conclusions reached by that study are very significant. The study dealt with all aspects of a working woman's life: the woman who leaves her home every morning and does not return to the care of her small children and the affairs of her family and her household until evening.

As the study indicates, the phenomenon of educated women going out into the labor force was unknown before 1832 when women entered the nursing profession, which was their first official profession. Ever since then, according to 1937 statistics women have worked in all areas, and their ratios in those areas have differed. However, their highest level of participation [in the work force] was in the field of medicine where they made up 35.1 percent of the medical profession. When the socialist laws of the July Revolution were enacted, creating equality in employment between men and women, the number of women in the work force in 1969 amounted to close to 543,000 workers. That was an increase of 164,000 workers over 1961. In 1971 the number of females in the work force rose to 573,000.

## The Needs of Children and Employment

At the outset the study defines a working woman as a woman who works with or without pay in the home or outside the home. In the conventional sense, however, a working woman is one who is qualified, regardless of the degree of her qualifications, and who works outside the home for pay. On this basis women's roles are confined to two areas.

The first one is within the framework of the small family unit.

The second one has to do with defining women's roles in the various areas of employment and the extent of the contributions they make in those areas. In the role women play in the family, their primary responsibility is of necessity that of attending to the socialization of their children, especially during the children's early years. This will depend on the aspects of training, education, employment and other [factors] that are available. Children are the foundation for the future, and if women do a good job as far as children are concerned, they can really change the environment and make a minimum contribution to bringing up children. This is because women can manage household budgets; they can perform household chores; they can provide the necessary psychological and physical care for their husbands and their children; they can provide in the home the peaceful environment that would help children learn; and they can balance the family's income with the number of people in the family by limiting the number of children they bear, by reducing consumption and by trying to increase the family's income and contributing to some development projects.

Mothers also have an important responsibility of meeting the needs of their children. This is based on the fact that children go through various stages [of development] as they grow up. This responsibility that mothers have has to do with children's psychological and social needs, which depend on the strength of family ties, on the strength or weakness of the relationship between a husband and wife and on how closely knit the family is. Besides, the conditions of working women also have an effect on the degree with which they accept newborn children. Also difficulties that develop in the workplace and the effort women are required to make there may make them unable to perform as well as they used to before their pregnancies. As a result, colleagues may resent these women or fail to appreciate their circumstances. This makes them feel that the future is equally uncertain for both child and family.

### Important and Serious Questions

The study asks the question how can mothers provide all aspects of care for their children and families especially if they are employed outside the home? [The study asks] if working mothers can work hard to control problems that develop when they have children while they are employed.

The study answers both questions by showing children's various needs for their mothers. Children go through rapid and conflicting phases during which they need their mothers' undivided attention. Mothers are considered liaisons between children, on the one hand, and the surrounding environment on the other. This compels working women to take some precautions and take some matters into consideration: they have to follow strict disciplinary measures to regulate the

behavior of their children and the periods of their absence from the home so that their absence would not affect the adjustment of their children.

Experts explain some of the things to watch out for from women's employment and the effect it has on the academic future of children. One of the many reasons why the children of working women are slow learners is the fact that working women move often because of work conditions, and this, accordingly, requires that the child be moved from one school to another.

#### Women in Every Sector

Experts also affirm in the study that women represent half the labor force in society. Consequently, it is impossible and illogical that available human resources, that is, women who can be utilized, are ignored. It is known that no modern economy exists without female labor. The role of women in employment gives them a new place in society; it increases families' income; and women feel more secure about their future in their families. The ratio of dependency in society also falls. We find that now women's contribution to the technical and career professions exceeds their contribution to any other professional category; the ratio of females in that area is 24.6 percent. This is followed by the services sector where the ratio of female workers is 18.7 percent; the ratio of female clerical workers is 11.3 percent; the ratio of female sales people is 9.7 percent. In government employment, according to the 1966 Census, that ratio was almost 70 percent.

Statistics have also shown that women's participation in the educational and health services sector is also high. Fifty-four percent of the female work force was employed in the education sector, whereas almost 22 percent of the total was employed in the health sector. This means that more than three quarters of the female labor force is employed in these two sectors.

#### Disadvantages of Women's Employment

The fact that women have been seeking employment outside their homes; the fact that, on the one hand, they have dual roles, at home at work and in society; and, on the other hand, the fact that they are unable to coordinate and streamline the requirements and responsibilities of home and work; and the fact that husbands seem unwilling to help with household chores and care for children have had several consequences:

Studies have shown that the disadvantages of women's employment outside the home are illustrated in [the following]:

- Women have the problem of being torn between a variety of activities. This has made them fall prey to the struggle of managing their work [at the place of their employment] and at home simultaneously.

- Women constantly feel exhausted as a result of the fact that they combine their responsibilities at work with their duties to their families. They are also held accountable at work because of the long vacations they take during pregnancy and after birth. Ultimately, this affects their efficiency reports at work and makes them feel frustrated.

--Mothers feel that nurseries, if they were available, cannot make up for the affection and care mothers give their children. This brings women's psychological problems to the forefront; the most important of them is that of transitional separation.

--Children of working mothers develop bad habits which they learn from unqualified day care attendants and nannies.

--Children of working women are exposed to danger as a result of the fact that they are left at home alone or with neighbors.

--The fact that women are under pressure from society to practice birth control makes parents focus their attention on one child, and this has poor psychological effects on a spoiled child.

The advantages of women working outside the home may be listed briefly [as follows]:

--Evidence of women's maturity at work, which is related to society and education has also helped women choose from work [that is available] that which would improve their social and economic status as individuals in society.

--Production in society has increased.

--Material standards of families have improved.

--Women tend to practice birth control.

#### Recommendations That Must Be Made

This comprehensive review by experts who have considered this problem and by authorized officials as well makes it evident that there are points to be made. These are suitable as essential recommendations that could solve all the problems of working women who would not have to go back to housework and not participate in the team effort between men and women of turning the wheel of economic production in Egyptian society.

--Egyptian women have to realize that their employment is not an alternative to their jobs as wives and mothers. Accordingly, the state is to use its legislative powers to make these factors possible that would enable working women to work outside the home and bring up children.

--A stable policy is to be established for expanding the role of day care centers in cities and residential neighborhoods. The Ministry of Social Affairs and citizens' own efforts are to be responsible for carrying out this policy.

--Working women are to be allowed to work part-time if work conditions allow that. Gradually, employment for women at night should be prohibited except under very limited circumstances.

--The state--the food security organizations--is to develop and disseminate foods that can be prepared quickly. The state is to make these foods easy to obtain.



... people's organization has to assume [responsibility] for training women who wish to work at home and who wish to have the work they do at home be an additional or their main vocation. These efforts are to focus on intense media and educational programs to create a general awareness of the importance of family members chipping in and performing some household chores. An insurance system is to be founded that would enable women to obtain compensation if they take 1 year's leave of absence without pay.

Further recommendations include]: building residential units near work sites in new cities; providing means of transportation paid for by employers in existing cities; expanding family awareness programs to overcome the obstacles that keep women from doing their job; explaining the importance of taking human relations into account in management; explaining the conditions of female workers as human beings who combine work and home responsibilities; and making an effort in the work place to eradicate the illiteracy of female workers. This would have a significant effect on the care women provide for their families and on the physically and socially sound methods of rearing children. Tomorrow we will consider the opinions of Egyptian women, of women's leaders and of an Egyptian thinker who is responsible for a more exemplary view of the question of women's employment.

[31 Aug 82 p 3]

[Article by Ahmad Nasr al-Din]

[Text] Will working women go back to being full-time homemakers? Women's leaders and male thinkers say what they think. New educational courses [proposed] to solve the problem. Pensions for homemakers [proposed]. [Women should get] a 10-years' leave of absence with one-fourth of their salaries so they can bring up their children.

It, according to the study that presented a full view of women's lives at home and at work, the disadvantages of women's employment outside the home have exceeded the advantages, Egypt's women leaders have something to say about working women going back to being full-time homemakers. Egyptian men also have something to say about this matter.

Dr. Nayid 'Uways, international expert and consultant with the National Center for Social Research defines the main points of this question by saying, "It would be impossible for working women to go back to being full-time homemakers. It behooves us to face this situation rationally, in a mature fashion in light of our moral values, our principles and our high ideals. It would be abnormal for women to go back to being full-time homemakers because the disadvantages of their employment outside the home outweigh the advantages. The present [sic] Egyptian family used to be numerous; that is, it had more than one family. We used to have an extended family that included several generations, and we used to have a complex family which used to include families and relatives. [In the past] families used to carry out all the jobs that had to do with educating children, teaching them a profession and socializing them in a variety of ways. As time went by, families shrunk, and we now have nuclear families that consist of only two generations. That is, families now have a husband and wife and [their]

children. The family's jobs have been taken over by the state and the state, on behalf of society, has taken numerous jobs from families. The state established schools, playgrounds, clubs, religious organizations and cultural and informational agencies.

"This is the development that has taken place in European and American societies. It has also taken place in our society, and we cannot stand in the way of this change. It is indisputable that families now participate with the other forementioned agencies in the task of bringing up children. It is necessary that there be numerous, appropriate and sanitary day care centers staffed by people who must be knowledgeable about the process of socializing children. In addition, these centers must have the necessary equipment for children: these have to do with play time, sleep time and health care. This does not mean that a child is to be deprived of his mother's care and affection, nor does it mean that he is to be deprived of his father's care and affection. It means that the state, acting on its own behalf and on society's behalf, recognize its responsibility toward children whose mothers are employed outside the home. Instead of turning its attention to legislation that would send mothers home temporarily, we must have legislation that focuses its attention on day-care centers. That is, we should have many day care centers; we should attend to the number and quality of those day-care centers; we should pay attention to pre-school children; and we should pay attention to the preparation of those who would be in charge of day care centers."

#### Preparing People for a Successful Family Life

Dr Philip Iskarus, an expert at the National Center for Educational Research affirms that it is impossible for women to go back to being full-time homemakers. He determines several reasons for that. Some of them are economic, and some are social. There is a social value attached to employment outside the home, and this sharpens a woman's personality and limits family problems. Nevertheless, Dr Philip Iskarus thinks that we must stay in step with development and progress and that doing so requires that we create establishments and organizations to take care of children. Educational organizations in Egypt must pay attention to pre-elementary schools: they must make them available; they must prepare teachers for them; and they must set up curricula for these schools to fill the gap that results from the fact that women are being employed outside the home.

Educational expert Dr Philip Iskarus suggests that it is necessary to conduct a field survey of Egyptian working women at various industrial, commercial and cultural work sites; in rural areas; in urban areas; and in service jobs. The purpose of the survey would be to find out what women think so the state can adopt a policy that would be consistent with the results of the inquiry. This would be better than improvising a policy.

#### The Opinion of Women Leaders

Mrs Malak Salim Madkur, member of the board of directors of the International Alliance of Women and vice president of the Huda Sha'rawi Society says, "The fact that women have been advancing into the work force has not been accompanied by progress in the services offered by the state. We must come to an understanding whereby we would have husbands and children help working mothers. This notion

at school and not at day care centers where children are reared and their personalities molded. Also it is not up to day care center attendants or nannies to bring up children and mold their personalities.

"The first 3 years of a child's life are very important. Working mothers should have a leave of absence from work without pay during those years to look after their children. But [at the same time] the state is to keep their seniority for them, provided they enroll in training courses upon their return from the leave of absence. Women can go by a system whereby their training would run parallel to their work without holding it up, provided that they take no more than two or three such leaves of absence throughout their professional lives. Through the work they do at home women contribute 40 percent of the state's national revenues. But do they receive 40 percent of their wages or two thirds overtime pay? These important statistics were presented, and this question was raised at the Women's Conference in Copenhagen in 1978. Statistics indicate that women get only one tenth of the wages [they deserve]. As far as ownership is concerned, women own only 1 percent of all property owned in the world. Therefore it is worth mentioning and it is necessary to suggest that homemakers' work also be evaluated and that homemakers receive a pension for which they would pay 30 piasters a month in return for 10 pounds [a month they would receive] after they reach a certain age which is to be determined by experts."

Mrs Karimah al-'Arusi, former member of the People's Assembly says, "The role working women play is a serious role, and the obligations they have to their work, their families and to society, of which they are an inseparable part, [are also serious]. Women make up half of society; they are the mothers of the other half of society. Therefore, they have a dual role as workers and wives and mothers. Each one of these roles is a serious one, particularly that of preparing the new generation and attending to young children who will become Egypt's men and women of tomorrow.

"In order for women to play their roles fully, we must provide a suitable climate for them. As far as employment is concerned, for example, women must be given work that is appropriate to their qualifications and experiences. This requires that manpower distribution be reconsidered so that the evident glut in employment can be avoided and women would have a clearly-defined role just as men do.

"Appropriate day care centers must be made available, and they must be scattered in all neighborhoods so that women can feel secure in their work and performance.

"Devices that help one in doing household work are to be produced.

"Transportation for women back and forth from their work and their homes is to be furnished.

"Men are to understand that marital life in the Egyptian household is to be based on cooperation and partnership.

"If women have that [favorable] climate, they will become productive and more effective. In fact, they will be more productive than men because despite the difficult circumstances under which women now work, there are many eminent examples of working women in all areas of economic, social, political, informational, cultural and technical work.

"At the present stage the state is not able to provide the appropriate climate for working women, I suggest that instead of the furor that is being created about the employment glut in all state facilities, and instead of the wages and salaries that are paid monthly to these large numbers [of employees], who perform no work because the government did assume responsibility for hiring graduates and did not restrict its hiring to the needs of work sites, that working women be given a 10 years' leave of absence at one fourth of their salaries when they have their first child and are beginning to form their families. Women would devote themselves during those years to the task of looking after their children. We would thus have healthy children who are being cared for by their mothers, and all these wages and salaries that the state pays in full would be saved. Today's children are tomorrow's human resources; they are the men of tomorrow."

Dr Nabilah al-Ibrashi, associate professor at the National Research Center and member of the Consultative Council affirms that we cannot go back. After all [the gains] that women made in numerous areas, they cannot go back. Dr al-Ibrashi quotes a verse from the Koran: "But the believers who do good works, whether men or women, shall enter the gardens of Paradise. They shall not suffer the least injustice" [al-Nisa': 124]. This means that Islam gave women the right to work. Women also used to be the partners of God's messenger in war and peace. Women are now ambassadors, ministers and university professors. From my own personal experience day care centers should be increased. Every new apartment house building that is built should have a day care center attached to it. As far as leaves of absence are concerned, although women get somewhat lengthy leaves of absence, that would be better than sending them back home.

"For working women to perform their roles easily and without difficulties household devices that help women perform household chores are to be made available. Easy meals that can be prepared quickly should be made available, and places where clothes can be laundered and ironed at reasonable costs, that do not put a dent in a family's budget, are to be provided. Families have to practice birth control so that women can recuperate fully, psychologically, physically and within the family. Families should be satisfied with one or two children at the most.

"Finally, from my own personal experience, from the experience of my family and from the reality of my research work, I think that there is a formula for working women. If the parts of the formula are available, working women would be successful and exemplary. This formula is that women love their work and that they combine their work with the dreams they have for their families so they can certainly become exemplary working women."

8542  
CSO: 4504,501

## FORMER AGRARIAN REFORM ARCHITECT ANALYZES LAND DISTRIBUTION

Cairo MAYU in Arabic 30 Aug 82 p 11

[Interview with Sayyid Mar'i by Hidayat 'Abd-al-Nabi: "The Land Reform Experiment in Egypt Was a Pioneering One for the World"; date and place not specified]

[Text] There is no doubt that land reform must be considered one of the most important experiments that have brought benefits to the great majority of the rural inhabitants of Egypt. That, and free education, were among the most important achievements the July revolution made. By means of both, Egypt has witnessed most of the social changes we have become acquainted with in the past 30 years, which restored the right to a dignified life. Small farmers were enabled to have the right of agricultural ownership to land within the limits of 5 feddans or less. One cannot let the 30th anniversary of the land reform experiment which President Husni Mubarak will be observing on 9 September, the day commemorating the agricultural reform law, which is considered "Peasants' Day," pass by without talking to the person most responsible for the land reform experiment since its inception on 9 September 1952. Eng Sayyid Mar'i says that he will not forget that great day in his life and the life of Egypt, when Maj Gen Muhammad Najib, in Damanhur, and the late President Jamal 'Abd-al-Nasir, in al-Mansurah, distributed the first batch of land reform properties to peasants. That was a day that would not be forgotten; it left very broad traces in the spirits of peasants and was the start of the land reform experiment in Egypt.

In Eng Sayyid Mar'i's conversation with MAYU on the occasion of Peasants' Day, he considers that the time has come to make comprehensive evaluation of land reclamation projects in Egypt. He calls for the formation of a high-level ministerial committee to coordinate among all the ministries that have jurisdiction in this matter. Eng Sayyid Mar'i asks for a political decree that will restore equity to relations between landowner and tenant after 30 years in which the rent of a feddan of farmland was set at seven times tax, harming smallholders whose property came to 5 feddans or less.

Eng Sayyid Mar'i says that land reform was the first public act he assumed charge of. It was an opportunity to realize a social



goal, to apply what many reformers had been calling for before the revolution, such as the late Muhammad Khattab's pre-revolutionary project.

Here is the text of Eng Sayyid Mar'i's conversation with MAYU.

[Question] What is your evaluation of the land reform experiment, 30 years after it was put into effect?

Eng Sayyid Mar'i: If we want to evaluate the experiment in land reform, which was issued in accordance with the 9 September 1952 law, now that it has passed through this long period, this evaluation must include a number of points, among them:

1. The nature of agricultural ownership before the issuance of the land reform law.
2. The original objective in issuing the law. If this objective was achieved, in whole or in part, what effects were derived from the execution of this law in Egypt?

Let us start with the first point first, concerning the indices on ownership before this law was issued. It is well known that a small minority owned a massive area of farmland, while the overwhelming majority of millions had a tiny percentage or nothing at all. The farmland the big landlords owned was worked on a tenant basis. The number of owners who farmed the land themselves was a small percentage [line missing], between 80 and 85 percent, all of which was rented out to smallholders. The value of the rent was set arbitrarily, in the sense that the landowner had the right to impose the agricultural rents he wanted. Obvious exploitation of the tenant class resulted from that. Therefore, when the land reform law came about, it was distinguished by the fact that it limited ownership on the one hand and on the other defined the relationship between landowner and tenant, setting the rate of the rent at seven times tax. Thousands of tenant farmers benefitted from that, and they still are benefitting from it.

However, we must state here that the fact that the value of the rent has been fixed since the law was issued has imposed a burden on landowners, especially smallholders: the cases which show that tenants have now become better off than owners of agricultural land are many. The law did not aim at this. Rather, it aimed at justice for tenant and landlord, and in this regard it is not enough to have the value of the rent rise as a result of a rise in the property tax on the land -- rather, one must take a comprehensive view, in order to create equity between the tenant on the land and its owner. I know that this is a political issue which has its effects and its significance, but I also know that ultimately politics has the goal of establishing equity among citizens. The original objective in issuing the

agrarian reform law was, as I pointed out, to create justice and balance in the agricultural sector.

#### Agrarian Reform and Development of the Egyptian Countryside

[Question] How did agrarian reform contribute to the development of the Egyptian countryside?

Eng Sayyid Mar'i: Here I might point out that at one time, about 10 years after the issuance of the law, we made an investigation of development in the countryside. In some agrarian reform areas development was apparent through the number of students who were the children of people who had benefitted from agrarian reform. They pursued various educational curricula and went to university, and doctors, engineers and so on and so forth emerged from their midst.

#### Linking It to the Government Budget Was the Biggest Mistake

[Question] Were there any mistakes in conjunction with this experiment? What were its positive features?

Eng Sayyid Mar'i: I pointed out more than once, even after this law was issued, that improvements had to be made in the agrarian reform agencies. Agrarian reform is not just breaking up, taking over or apportioning ownership -- I had imagined that the processes of taking over and distributing the land would be a first step, preparatory to the deeding of land to beneficiaries, then the establishment of cooperative societies in their areas, and then the liberation of the beneficiaries from agrarian reform when they entered into the cooperative system. At that time we formed cooperative societies that supervised that, with the goal of eventually having the societies take over the affairs of the farmers who belonged to them. When I refer to the cooperative system, I am referring to a system that is far removed from exploitation and promoted production to the highest degree. That has not yet come about in some agrarian reform areas. I had imagined that development in the means of production, especially in the agrarian reform areas, would of necessity take its course. By development in production I mean the introduction of projects complementary to the exploitation of farmland through the introduction of new crops and all processing projects related to them.

Let me be fair on this point: agrarian reform actually began its activity in this field, in poultry farms, by introducing new crops. However, I can see that the field is still open to the establishment of many projects that are in keeping with agricultural land reform ownership and the money and equipment the cooperative societies possess.

There is no doubt that a great act like agrarian reform was due to be marred by some errors, in execution and in progress toward the real goals of agrarian reform, as well as through the bureaucracy to which it was subjected after a period of time. I consider that the greatest error that agrarian reform has suffered from in Egypt was its linkage to Chapter Three of the government budget, as a consequence of which it became plagued by bureaucracy of execution -- as a result of which the number of employees became greatly inflated and great supplements were added to the government budget.

As far as the positive aspects of the experiment go, agrarian reform, as I have pointed out, created a broad base of agricultural owners farming on their own, and their conditions improved. However, on the other hand, setting the value of rents harmed another category, especially the category of small farmers who own 5 feddans or less.

The Egyptian Experience Has Earned International Acclaim

[Question] What is the value of the Egyptian experience, when it is compared with [that in] other countries?

[Answer] In reality, agrarian reform in Egypt has received great international acclaim. I attended many conferences dealing with food in the world and agrarian reform, and [our] agrarian reform was considered to be one of the pioneering experiments in the world. If we compare it with the ventures that were carried out in Latin America, we will find legislation issued one day and then delayed a short time after that, or legislation issued and carried out, then production dropping, and then people turning away from it. That did not happen in Egypt.

200,000 Feddans Must Be Reclaimed Annually

[Question] After this rich, massive experiment, what is now needed to develop the Egyptian countryside?

[Answer] I believe that developing the Egyptian countryside will basically depend on social considerations which there is not enough room to talk about. However, it depends basically on the need for land reclamation and consequently a reduction in the population burden on the land now being farmed, so that a new opportunity can be given to farmers in reclaimed areas. In my estimation, the area to be reclaimed annually must not be less than 150,000 to 200,000 feddans. However, the question is, in order for us to draw up a sound land reclamation policy, it will be necessary to pause to review and evaluate our position vis-a-vis the land that has been reclaimed on High Dam water, which comes to 800,000 feddans. Since these areas have gone through many Fallow Land Reclamation Authority cycles and turn-

points. Sometimes an independent authority supervises them, and sometimes they are subject to the Ministry of Agriculture; then in another period they are subject to the Ministry of Land Reclamation; then finally they enter into the jurisdiction of the Ministry of Redevelopment. These changes have had repercussions on the progress of work on these lands. The situation did not stop there. Indeed, in the period when they were subordinate to the [Ministry of] Land Reclamation, thought was given to establishing agricultural companies to rid the land reclamation sector of government red tape and rid land reclamation operations of organizations that were full of officials, cars and buildings, all in Cairo, all imposing great budgetary burdens on the government -- costs which were not reflected in the land. This all gave sense and purpose to the thoughts of establishing agricultural companies, once they were rid of the problems mentioned above. These companies would deal with the land in an economic manner that would prompt them to engage in real production, in addition to other goals, among them:

First having them retain all combined lands, exploit them in sound agricultural ways, establish gardens and farms on them to raise livestock and sheep or raise vegetables, and establish factories which would contribute to them. Second, selling some fallow segments of the land while also providing basic resources for it.

These companies were supposed to be integrated economic units which would end up ultimately producing and deriving revenues.

These agricultural companies were formed on some reclaimed lands, but so far as I know these companies have not become the integrated economic units the plan intended. The reason for that perhaps was the large number of companies to this moment. Let me give, as an example here, the al-Sharqiyah landholdings project, which started a number of years ago. In this, 7,000 feddans were reclaimed with an economic success well known in farming circles. Supervision over it was then transferred from one body to another, then thought was given to attaching it to an agricultural company. When its revenues declined and it had need for great financial support, although the project, in its first steps, had been an economic, almost integrated one. I do not mean that it was one of a kind, rather, the picture has been more or less repeated in other agricultural companies.

Comprehensive Evaluation Is Necessary along with Formation of a Higher Coordinating Committee

Therefore, for us to understand the validity of this information, the situation will require an evaluation of the land reform projects in Egypt. Therefore, the situation will require:

1. The performance of a real evaluation process with the objective of supporting the reclamation of farmland and eliminating

... mistakes or exaggerations in describing its conditions from the agricultural standpoint in terms of the productive stage they have reached.

. Anyone now looking at the agricultural sector will find that part of it is under the supervision of the Ministry of Agriculture, part is under the Ministry of Redevelopment, and part is under the Ministry of Irrigation. The Ministry of Irrigation is a body which determines the extent to which these lands and areas it must reclaim can be exploited, because that is the body which provides the necessary water for future reclamation. On that basis, the situation, in my view, requires that this sector be consolidated. If it is not possible to do this by means of a single ministry, it might be possible to do it through coordination among them. We have previous experience with this, when a deputy prime minister for agriculture, irrigation and land reclamation was appointed in 1967. His task was to link these sectors up and the experiment was a successful one. It achieved great results in the field of production at that time.

If this situation is not desirable from the political standpoint, it will be necessary to create a high-level ministerial committee which will draw up a land reform policy in Egypt that is founded on an evaluation of what has been done so far and on coordination among the various ministries that deal with land reclamation.

11887  
CSO: 4504/505



WEEKLY BULLETIN EDITORIALIZES ON INTERNAL POLITICAL AFFAIRS

Hojjatis in Cabinet

Tehran IRAN PRESS DIGEST in English 26 Sep 82 pp 3-4

[Text] The views of the Education Minister about his membership in the Hojjatiyeh Society (refer W.R. Sept. 19) once again has brought this mysterious set up into picture and focussed the attention of news media on it. Prior to this categorical admission by Parvaresh it was imagined that the Tudeh Party claims to the effect that the Hojjatiyeh Society has its influence even in the Ministerial Cabinet was not taken so seriously. The Tudeh Party had claimed that five of the present cabinet ministers are supporters of the Hojjatiyeh Society and are sabotaging the affairs of the Revolutionary government.

Fundamental differences among the adherents to the Hojjatiyeh and the supporters of the Imam's line exist over Velayat-e-Faghih (Religious Leadership). The Hojjatiyeh backers believe that no human being can succeed the Imams who are saints and hence cannot deputise for an Imam during his absence. As such it is meaningless to choose someone in the name of Vali-e-Faghih (Religious Leader). Rather, everyone should await the reappearance of the Absent Imam (The 12th Imam of the Shi'ite), so that he could himself assume the reins of the government to eventually uproot tyranny in this world.

The Tudeh Party's rift with the Hojjatis is naturally not over the issue of Velayat-e-Faghih since this Party basically doesn't believe in religion, Allah and the Imam. The Tudeh Party considers the Hojjatis dangerous because it believes they (Hojjatis) are agents of the Western imperialism. In fact, the Hojjatis don't consider the Jews or Americans to be the worst enemy of Islam because they believe that such people are, in any case, the followers of the religions accepted by the Holy Qoran. In their opinion, greatest threat to Islam at present comes from communism, and it should be strongly countered and checked.

As claimed by the Tudeh Party, the Hojjatiyeh supporters presently have control over the Islamic Revolutionary courts and the Ministries of Labour, Commerce, Industries, Oil and Education and also have a strong influence in the Foreign Ministry and the Cultural Revolution Headquarters. But

the Tudeh Party has no vivid reasons to prove its claim except for some writings and statements of individuals. As believed by the Tudeh Party, the prime object of the Hojjatis is to create greater dissatisfaction among the people and to dissociate them from Islamic Revolution.

Of the Ministers accused of being Hojjatis, Education Minister Parvaresh alone defended himself in his Sept 19 interview and officially declared that he previously was a member of this Society but is presently opposed to it. However, other ministers such as Labour Minister Tavakoli, Commerce Minister Asgar Owladi, Oil Minister Gharazi and others have left unresponded the rumors spread by the Tudeh Party.

#### Justice Ministry Problems

Tehran IRAN PRESS DIGEST in English 26 Sep 82 pp 4-5

[Text] To override problems in implementing the Imam's decree on Islamasing the country's laws, the members of the Guardians' Council (GC), last week personally called on Imam Khomeini (Sept 18). During this meeting, they succeeded in obtaining permission from him to presently continue to enact most of the laws as in the past, excluding such laws which are proven in conflict with Islam. At the end of this meeting with Imam, Ayatollah Mahdavi Kani said in this respect: "We are faced with two problems: first, the reviewal of all the laws needs time; second, what is to be the fate of the officials and judges in case, supposingly, these laws are abolished, and what is to replace the past laws? Of course, the laws on retribution and the penal legal procedure have been approved by the Majlis and the GC too, has given its views on them. But the laws relating to other issues such as the Islamic penal laws, the civil laws and the laws relating to banks and the worker-employer rights, cannot be given a verdict without reviewal. The Imam was asked to give his opinion on them that in case it is thought advisable the GC and the Supreme Judicial Council (SJC) should review these laws and such laws which are clearly opposed to Islamic tenets should be abolished while those laws whose conflict with Islam is not yet evident should be enacted as before until these are reviewed, at an appropriate occasion in future by the Majlis and the GC. The Imam replied: "What is certainly opposed to Islam should be abolished and with regard to such laws which are not clear-cut and are not to be suspended in case of abolition of the system, you should give verdict as thought advisable" (Kayhan, Sept 22).

This problem was predictable from the very outset. The GC must, in fact, review nearly 3,000 articles alone in the civil court and the penal and commercial laws. Justice Minister Saiyed Mohammad Asghari, without paying attention to these problems and while endorsing the Imam's edict, said: "The Imam's edict was an epoch-making one, and the essence of all phases of the Revolution. This edict, calling for the enactment of the Islamic laws was the essence of the early stages of the Revolution. In fact, the recent edict issued by the Imam was the Fourth Revolution brought about in the judiciary" (Ettela'at, Sept 21).

But Asghari's main problem is that in the Islamic judicial system there hasn't been anticipated any specific place for the Justice Minister. In this respect he said: "In the Islamic Republic system, the justice is not accurately specific and this is one of the problems faced by me. In the new judicial set up headed by the SJC, the judicial work related to judges is carried out by SJC and matters related to the Ministerial Council, some administrative affairs, the task of taking the bills to the Majlis, defending the same there, bringing them up in the cabinet, and such tasks are generally carried out by Justice Minister. In the new set-up the Justice Ministry Undersecretaries carry out their duties under SJC and presently the whole set-up is being supervised by it" (Ettela'at, Sept 21).

#### Resumption of Activities by Parties

Tehran IRAN PRESS DIGEST in English 26 Sep 82 pp 5-6

[text] Interior Ministry Undersecretary Abbas Akhundi last week gave the tidings that parties and associations which were practically closed down since the past two years can resume their work in the near future under the provisions of the new regulations. He detailed the conditions for activities of the parties under these regulations in the following manner: "In the executive regulations of parties, there have been kept into mind the manifesto, the object of the founding body, the financial resources, links and mode of membership and set-up. The parties should specify their leadership cadre, keep the above points in mind and also declare the same so that the mode of their domestic and foreign links could be known. For this purpose some forms have been prepared and the parties are required to fill them up for registration and provide the Interior Ministry with the necessary information so that it could, after receiving these forms, review the condition of these parties. In this connection it is essential that the performance of the parties is looked into. As mentioned in the law, a commission constituting under Article 10 (composed of representatives of the Interior Ministry and the SJC and two individuals from the Majlis) would supervise over the mode of activities of the parties in the society and the parties should, at all times, necessarily respond to the questions of the relevant officials." On the violation of the contents of the said regulations, the Interior Ministry Undersecretary noted: "In case of non-implementation of any one of the articles of the executive regulations by the parties, the violators would be initially given a verbal warning, followed by a written warning leading to the stage of dissolution, and the final decision is to be taken in this respect by the Article 10 Commission." Akhundi pointed out: "The executive regulations have been approved in 41 articles and all the characteristics of parties have been accommodated in it. Based on this, if there takes place a change in the leadership cadre of a party, it should immediately be brought to the notice of the Interior Ministry. In the same way, the party should inform the Ministry about their annual programs. On demonstrations, marches and general assemblies too, they should duly inform the Interior Ministry and there have been laid certain restrictions in this regard." Akhundi also announced that the regulations for governing the Islamic associations too, are being received and prepared separately" (Ettela'at, Sept 19).

It should be noted that presently there are not operating any parties or organisations in Iran other than the Islamic Republic Party and Islamic Associations whereas at the inception of the Revolution the number of various parties and associations stood at 60. Included among them were the Freedom Movement, the Mojahedeen, the Fedayeen Khalq, the Tudeh Party, the Muslim People's Party, the National Front and the National Democratic Front that openly and freely engaged in activities. The parties and associations which have not been banned are hopeful of resuming their activities under the new regulations.

#### Activities of Anti-revolutionaries

Tehran IRAN PRESS DIGEST in English 26 Sep 82 pp 6-7

[Text] Last week, a number of the leaders of anti-government groups who are lodged in the Evin Prison appeared on the TV screen in a program entitled "The Round Table of Anti-Revolutionaries" (Sept 24). These individuals were arrested gradually from July 81 to August 82 and despite having taken part in a round-table debate, have, in the past, had differences with one another on many issues. Apparently the common point among them is to oppose the present Islamic Government.

The groups participating in this program were: the National Front, Bani-Sadr's supporters, Mojahedeen, Fedayeen and Peykar, with the last three having been recognised as the followers of Marxist principles while the first two as "liberals." There were present in this program three members of the Central Council of the National Front, namely Nassar Takmeel Homa Homayoun, writer and sociologist; Masoud Hejazi, jurist; and Varjavand, a specialist in the field of art (he was the supervisor of the Ministry of Culture and Arts in the Transitional Government of Bazargan). From amongst Bani-Sadr's aids there were present: Ahmad Ghazanfarpour, former Majlis Deputy; Mohammad Jaffary, Editor of the Daily "Enghelab-e-Islami"; Reza Bani Sadr, brother of the former president and another official of the Daily; Mostafa Entezariyoun, Bani-Sadr's advisor and head of the Presidential Information Bureau; and Soudabeh Sodeifi (wife of Ghazanfarpour), advisor to the Presidential Office in International Movements Affairs. The prominent individuals of the Marxist groups were: Hossein Rouhani, from the Central Cadre of Peykar; Mohammad Mghadam, member of the Command Council of the Defunct Mojahedeen Groups; and Atta Nourian, incharge of the Daily "Kar" Fedayeen (Minority Group).

The first session of the round-table debate lasted for nearly two hours and was devoted to the members of the leftist groups for expressing their views. The debate was then postponed to the next session.

While the detained members of the Mojahedeen were speaking in the TV program about the dismemberment of the clandestine set-up of this organisation, Masoud Rajavi, the fugitive leader of the Mojahedeen, last week in a message which he sent on the anniversary of the formation of the "National Resistance Front" predicted an expansion in the terrorist operations in future. The "National Resistance Front" was set up in September last in

ris and two months after the escape of Bani-Sadr and Rajavi. As claimed by Rajavi, presently tens of different organisations and hundreds of prominent Iranian figures announced their merger with the Front. Among the groups which have officially announced their merger with it are: the Kordestan Democratic Party, the Mojahedeen Khalgh Organisation, the Mosalman Students Organisation in Europe and the National Democratic Front.

In his message, Rajavi explained the strategy of the Mojahedeen Organisation for the previous year and said that the first phase which aimed at undoing the administrative team of the regime was successfully completed; the second phase, continuing at present, seeks to eliminate the executive elements of the regime such as the Revolutionary Guards, the local supporters etc; the third phase involves the start of an armed struggle against the regime after getting stationed in a part of the Iranian soil, and the announcement of a transitional government. Considering the fact that the "National Resistance Front" had earlier announced the formation of a "government in exile" under the presidency of Bani-Sadr, the new program indicates that the idea of formation of a "government in exile" has been abandoned and probably the rumours on a rift between Rajavi and Bani-Sadr are true.

The Mojahedeen Organisation in recent months has been broadcasting a regular propaganda program from a radio station apparently located in Kordestan Region. As per information, the programs of the "Radio Free Kordestan" too are broadcast from the same station.

#### Open Letter from Freedom Movement

Tehran IRAN PRESS DIGEST in English 26 Sep 82 pp 7-8

[Text] The "Freedom Movement" considered to be one of the oldest religious and anti-Shah groups (established 1931) and led by the former Premier and current Majlis Deputy Mehdi Bazargan, has, in an open letter addressed to Hojjatol Islam, Hashemi Rafsanjani, Majlis Speaker, recently complained against the monopolistic policy of the government and lack of Press and Political Party Freedom. It was said in the letter that the people have many questions to ask and criticisms to make against the government. Since there unfortunately doesn't exist any avenue for expressing the same and the people, as a last resort, approach the "Freedom Movement," the leaders of the Movement consider it to be their religious duty to bring the people's message to the knowledge of the government officials.

The letter says: "The people pose this question: What the government officials have, after three years, brought forth except ruination, suppression, spiralling prices and unemployment for the people? They ask: If the ruling body is confident about the rightfulness and propriety of its affairs, and of its faith in Islam, why then is it frightful of free expression of views and beliefs by the people and is checking the same? The people object by saying: Why the principles, enunciated in the constitution on freedom of press, parties and assemblies are not respected?



In this letter, objection has again been made by the Freedom Movement to the Algerian Agreement which hasn't yet been ratified by the Majlis and as claimed by writers of the letter, has caused a loss of billions of dollars to Iran and reference has also been made to the two billion dollar accords with North Korea and Turkey.

The "Freedom Movement" which had much influence among university students in the past is these days a party nearly forgotten. Its deputies in the Majlis are: "Mehdi Bazargan, Sabaghian, Katirai, Sahabi Senior and Junior and Moinfar." Its organ newspaper has been closed down for the past one year while the party too, has no activities. The Tudeh Party and the leftist groups and the adherents to the line of the Imam consider this group as "Liberal" and pro-West and some of the radical Majlis deputies have demanded the expulsion of this limited minority group from the parliament. Until before the release of this open letter, it was imagined that the Movement has totally abandoned political activities.

CSO: 4600/44

PAPER SAYS LEBANON WILL BECOME 'AMERICA'S AFGHANISTAN'

Tehran TEHRAN TIMES in English 30 Sep 82 p 1

[Article by Muhammad Salman Tawhidi]

[Text]

AT the beginning of Israel's invasion of Lebanon, officials of the Islamic Republic declared that Israel could not stand the pressures of a long, protracted war, and this has now proved to be true. Israel has done most of the dirty work, however, and American can carry on from where it left off.

Thus yesterday U.S. troops moved in to occupy Lebanon. They came with the full regalia. Amongst their equipment were tanks, which they did not bring when they moved into Beirut the last time. The difference between last time and this time is that now the US intends to stay. It intends to turn Lebanon into another base for itself and its so-called 'Rapid Deployment Force.'

It already has many such bases throughout the Middle East and the Persian Gulf, but the US is as greedy for military bases as it is for everything else. This is especially so in the Moslem world where, like in Iran during the time of the dead shah, revolution is potent and many soldiers are in sympathy with that revolution. The case of the great martyr of Egypt, Khalid Islambouli further emphasizes this.

America's occupation of Lebanon, then, can be seen to be the real aim of the Zionist invasion. After most of the ground was cleared, after the Palestinian fighters were evacuated and those Palestinians who remained were wiped out along with many of Lebanon's own Moslems, after a pro-Western and pro-Israeli puppet is installed as the new

president, after world public opinion can stand no more and the Moslems of the region are on the verge of breaking point, the despicable great satan that is America moves out its illegitimate child and itself takes over in Lebanon. And this it does in the name of 'peace'!

Is this peace? Is this very much different from what the Soviet tyrants and oppressors have done in Afghanistan? This so-called peace is oppression, is injustice, is another form of invasion. This so-called peace seems to be nothing more than the start of America's new war, its new Vietnam.

If America thinks that it can get away with this one, let it think again. It will have to sooner or later, because it has a strong anti-force to face in the region. It has the Islamic Republic of Iran to face, an Islamic republic that is Islamic in fact, and which, therefore, is more than enough for this poisonous snake, this blood-sucking America.

It seems that the real fight is beginning, that the Moslems of the region now have their real trial to face. They may seem to be asleep at the moment, but they must not be judged by their corrupt rulers. Soon they will awake, will unite, will return to Islam and make the same kind of sacrifices for it that the Moslems of Iran have been making. When the Moslems of the world become aware and unite and realize who are their enemies and who their friends, when they realize who are

the believers and who are the hypocrites, when they realize who is their real religious leader (Wali al-Amr) that day will be the day when the oppressive system of exploitation that is America and all its Allies will wish that it had never set its eyes on Islamic lands, let alone its feet.

We hope and pray for that day to be soon.

CSO: 4600/26

# TRADE WITH BULGARIA TO REACH \$500 MILLION

Tehran TEHRAN TIMES in English 30 Sep 82 p 2

[Text]

TEHRAN, (IRAN) - The head of the Chamber of Commerce of Bulgaria accompanied by the Secretary of the Embassy of Bulgaria in Tehran talked about the commercial relations between Iran and Bulgaria in a press conference on Monday.

He discoursed on the level of trade between the two countries before and after the Islamic Revolution, and said that during 1971 and 1978 the amount of Bulgarian trade with Iran was about \$600 million annually.

He also said that after the victory of the Islamic Revolution of Iran, Bulgaria declared its desire to expand relations with revolutionary Iran.

After the economic boycott against the Islamic Republic by some western countries was announced the Transport Corporation of Bulgaria continued to transport goods from Europe to Iran and further more he said, this was a daily process.

Later the head of the Bulgarian Chamber of Commerce spoke about the size of trade between the two countries

after the Islamic revolution.

He said that " after 1978, trade amounted to \$ 120 million, in 1980 reached \$ 230 and in 1981 surpassed \$250 million.

The amount of trade between the two countries is expected to reach \$ 500 million during the current year.

He also added that the crude oil and oil products purchases from the Islamic Republic of Iran is about 7 million barrels a year of which about 200,000 tons are oil products.

In conclusion he said, it is expected that the amount of oil purchases from the Islamic Republic of Iran will double.

Talks are also underway for the purchasing by Bulgaria of non-oil products as well as spare parts for cars and buses from the Islamic Republic of Iran.

## IRAN

### BRIEFS

ALBANIAN ENVOY--The Ambassador of Albania to Tehran met and conferred with Ali Akbar Velayati, the Foreign Minister of the Islamic Republic of Iran. In the meeting, the Albanian Ambassador congratulated the Iranian people on the overthrow of the former regime of the shah and stated Albania's support for the Islamic Republic of Iran in opposing the superpowers and internal enemies. He also stated the desire of Albanian leaders for expansion of relations with the Islamic Republic of Iran. Velayati in reply said "our people made the establishment of the Islamic Republic possible under the leadership of Imam Khomeini." He then added that a principle of the Islamic Republic Iran was that "we determine the kind of relations with other countries on the basis of our nations's interests." The Ambassador also met with the Iranian Deputy Commerce Minister. The meetings were held on Monday. During this meeting the two officials discussed issues related to the recent Albanian commercial delegation headed by the Albanian Foreign Minister, Alexander Trigona. [Text] [Tehran TEHRAN TIMES in English 30 Sep 82 pp 2, 3]

CSO: 4600/27



# THE JERUSALEM POST

THE JERUSALEM POST in English 1 Oct 82 p 9

Article by Rochelle Furstenberg: "Ferment in the Yeshiva"]

[1 Oct]

THE WAR in Lebanon and, more recently, the Phalangist slaughter of refugees under our protection, has brought forth a wave of protest among some of those in the religious community usually considered as ultra-nationalist. A demand for an investigation has been heard from these quarters no less than from other groups in the society.

Shocked and confused, people gathered in living-rooms across the country. Knitted skullcaps appeared in public protests. Twenty-five graduates of the *Hesder* Har Etzion Yeshiva signed an advertisement demanding an investigation.

Other *Hesder* rabbis gave classes during the Ten Days of Penitence condemning what had happened and urging upon our leaders to take responsibility as the elders of the community took responsibility for an unidentified corpse found slain in their midst. Rabbi Amital of Har Etzion sent a letter to his students before Yom Kippur decrying the recent events as a *Hillul HaShem*, an irreparable desecration of the name of God.

The forms of protest were rooted in Jewish frames of reference. Judaism's characteristic concern for human life, which is so often taken for granted, asserted itself as a conscious force these last weeks, reminding Israel that there is not

only a ritualistic aspect to Judaism, but that it also contains prohibitions, against pride, aggression, hate and sins done to one's fellow-man.

"In God's Image Was Man Created" read a sign at a small but moving demonstration hurriedly called together by word of mouth on Monday, the Fast of Gedaliah, across from Jerusalem's Heichal Shlomo. Religious university students and professors, yeshiva boys, members of *Oz v'Shalom*, the religious peace movement, women with babies had gathered for an afternoon service in the street. "What are Tora-observant ministers doing in such a government?" read another sign.

Throughout the week one could hear the lament, "If only the National Religious Party had shown courage — they could have gained a world in one minute."

THE OUTRAGED reaction to the massacre cut across political groupings. One religious Likud supporter, for example went to a protest meeting of young religious doves. When they began discussing the administered areas, he rose to leave. "I see I am here by mistake, but I want you to know that even a strong Likud person can be shaken by what has happened and seek ways to express it."

Some NRP supporters barricaded

themselves behind the woefully true accusations about the world's hypocrisy, its exploitation of the tragedy to undermine Israel. Yet most seemed to have felt that whatever the hypocrisy of the world, we must seek justice and demand an investigation.

"My first reaction," said a recent *hesder* graduate, "was to hide my head in the sand."

"We expected Begin to express some sympathy for the suffering of the refugees," said another, who had been in some hard fighting and seen many of his friends killed in an ambush. "I cannot help but believe that this government was more aggressive than it had to be."

"The disregard of human life exhibited by the government in these last weeks throws suspicion on the decision-making process throughout the war," said an older *hesder* graduate who used to support the official policy. "If we had felt some sensitivity, heard enough statements by our leaders that the *bembinz* was unfortunate, even if it was necessary, I wouldn't have lost my trust."

Despite this human response from *hesder* graduates there seems to be a large gap between their present reactions and their political stances. Few have drawn new political conclusions from their recent experiences. One discerns a

...innocence among the soldiers, who suffered a high casualty rate in the war. "How long is it possible to fight?" many ask, but it is not clear where these queries will take them.

NEVERTHELESS, a crack seems to have appeared in the hawkish views of many who, even if they voted NRP, assumed that Likud's foreign policies were similar to their own. The war, with the constant "bumping of the ante" the impression of wilfulness on Ariel Sharon's part, the continued advance, the bombing a little longer than necessary, and finally the tragedy of Sabra and Shatilla, is admitted by some to have been a parting of the ways with Likud.

"As a religious Jew I thought there could be nothing bad in nationalism," said Yossi, one of the *hesder* boys, "but I began to see that there were irregularities, that the national needs did not demand all that was happening, all that the government was doing. The gamble, the great-power strategy, who aims in a complicated political situation can never be assured. The loss of life it entails. Is that a religious demand?"

There is a gnawing suspicion among many religious Israelis that Begin's nationalism renders the nation the final arbiter of behaviour. Whereas for them, the Tora with its ethical directives, its prophetic rebuke, establishes norms outside the nation as the final arbiter. Although the vague universalism espoused by liberals is usually spurned by religious Israelis, they are certainly aware of the clear ethical proscriptions, the demands for self-control and human consideration, which characterize Judaism.

PERHAPS one of the best expressions of the ethically proscriptive as applied to the present situation was given by Rabbi Aharon Lichtenstein of Har Etzion in a public lecture during the Ten Days of Penitence. Analyzing the sin of "force" in the Yom Kippur confes-

sion, the usually moderate rabbi spoke with passion about the representative of the ancient rabbinical court who, assigned to flog a criminal, went beyond the prescribed 39 strokes.

"At times using force is necessary," said Rabbi Lichtenstein, "and if the flogger does his job with discipline and stops at 39 strokes, it is acceptable, it is a sign that he was doing what must be done. But if the flogger goes beyond 39 strokes to 40 or to 41 strokes, he is not considered an authorized representative of the court. He is not executing justice nor is he motivated by halacha, but rather by the desire for power.

"The aggressive instincts," emphasized, are manifested in the 40th stripe, the excess, the going beyond what is necessary, and that abrogates all that went before."

The political implications of the halachic metaphor were clear.

"THE RELIGIOUS person," says Elhanan Noah, a Hebrew University teacher of Talmud involved in the recent demonstrations, "knows that he must always ask the boundaries of the situation. The very essence of Halacha is the question, 'How far can you go?' Realizing this, the Orthodox community cannot long tolerate a nationalism that established no theoretical bonds."

Noah feels that there is a weakening of the all-embracing messianism of the Rabbi Kook approach in the larger religious community. There is closer observation of reality, a more common sense attitude, a rationalism that is emerging in the mainstreams of the religious community.

"Yamit" says Noah, "was perhaps the first indication that the all-embracing messianism has been undermined. The general religious community was not willing to go to Yamit. They did not accept the Gush Emunim line that this was Eretz Yisrael and that one had to fight for it. Moreover, they were angry with Gush Emunim for pitting Jew against Jew. They weighed it in

commonsense, non-messianic terms. I think it was a turning point.

"The war in Lebanon perhaps continued the process. Of course, there is still a strong group of messianic nationalists centered in the Merkaz Harav yeshiva, and the attachment of Judea and Samaria is far more profound than the attachment to Sinai; but perhaps some sort of agreement can be worked out with the Arabs on the basis of Israel's security. Otherwise, I think the religious community is beginning to realize, as they look more closely at the reality, that they will have to deal with the issue of *ger toshav*, non-Jews who live with us. They would have to assure the Palestinians equal legal status, for does not the Tora exhort: "One law will be for you and the stranger that lives with you?"

WHETHER there will be any large changes in the religious mainstream remains to be seen. But the present situation has, at least, swelled the ranks of religious doves.

"People have come out of the closet" says Bar-Ilan criminologist Prof. Gerald Kromer. They've begun to join ranks and organize. It is clear that two views exist side by side in the Jewish tradition. There is the highly particularist view that centres in the Jewish people, and the universalist side of Judaism which emphasizes the shared value with the rest of the world.

"The particularistic stance has been the dominant one" maintains Kromer. We must show that the universal stance is embedded, draws its roots from Judaism. We must develop that alternative. We must fight for it as a legitimate alternative."

As Nissan, one of the *hesder* graduates, speculated, "Perhaps the religious who are truly rooted in the particularism of Judaism and yet seek spiritual values can bridge the gap between the country's nationalism, its *yefei nefesh*, its cultural and spiritual aspirations."

## REORGANIZATION OF KOOR INDUSTRIES DISCUSSED

Continued from THE JERUSALEM POST in English 22 Sep 82 p 6

[Article by Moshe Macabee Dean]

[1982]

**TEL AVIV** — There is no limit to Koor's growth. This is the view of Yeshavahu ("Shake") Gavish, who recently moved up one slot to become president of Koor Industries, the largest industrial complex in Israel. Gavish, who left the IDF 12 years ago with the rank of Aluf (General) to head Koor Metals, was born in Tel Aviv in 1925. Although he has been "in business" for more than a decade, he was recently drafted by Israel TV to be its military commentator during the Peace for Galilee campaign. This indicates that he, like many other former senior officers, still likes to follow the country's security situation closely.

As for taking over from the former president of Koor, Naftali Blumenthal, MK, who is now the board chairman, no startling changes in the firm's direction are expected. The two men worked together over the past few years with a minimum of friction and a maximum of understanding.

The key-note, both past and present, is to grow slowly but surely, with special emphasis on setting up plants in the development areas and to help stabilize their populations, while hungrily eyeing the export markets.

"For the immediate present, we don't see any limit to Koor's expansion," Gavish says, noting that in

Fortune's 1981 list of the 500 largest industrial companies outside the U.S., Koor is only in 175th place. "We still have a long way to go to get into the top 100 outside the U.S., but we did move up 22 places in one year."

Sales of Koor goods and services grew from \$2 billion in 1979 to \$2.7 billion in 1981, with this year's target set at \$2.9 billion. While Koor's industrial exports stood at \$452 million last year, this year's target is \$530m., a considerable growth despite the "soft" market abroad due to the international recession.

At present, Koor is exporting directly 31 per cent of its output; the rest is channelled through Koor trade.

Compared to the total industrial setup (excluding diamonds) in Israel, Koor can still grow, for it accounts for only nine per cent of all industrial workers, only ten per cent of sales, and only 12 per cent of both industrial exports and industrial investments.

"These figures," Gavish points out, "might make us a giant in Israel, but compared to some international giants, we are only a husky toddler with a long way to go. We still have plenty of room to grow."

Gavish does not think that Koor, which controls 250 companies, will ever develop into a formless and un-

wieldy conglomeration, "where the head has no idea what the hands and feet are doing."

"Each company functions as an independent profit-making unit, and each belongs to one of six industrial plus one commercial branch, which has a regulatory and supervisory function." Long-range top policy, of course, is worked out in the offices in the huge Koor building on Sderot Shaul Hamelech in Tel Aviv.

Koor expects to enter the following new areas of production during the coming year or years.

- Robotics (this project has no connection with the project by the Kibbutz Industries in the same field).
- Composite materials (alloys).
- Bio-technological processes, which is the new euphemism for genetic engineering. Koor will concentrate on using bacterial-induced fermentation to upgrade, or implement new processes in the field of agriculture.
- Micro-electronics.
- New types of insecticides and perhaps herbicides.
- Deep-frozen vegetables and fruits, probably at the Pri-Hagalil plant in the north.
- Drilling for water and oil.
- Producing components for the Lavie plane.
- There will also be a major ex-

growth in cement production is increasing output by about half a million tons annually.

ALL THESE NEW ventures, plus the expansion of existing facilities in various companies, will cost \$150m in 1982-83 alone, Gavish says.

"Of this sum, about half will come from ploughing back our profits; the other half will come from foreign investors and government loans," Gavish explains. "We are also looking to the stock market to raise about five per cent of this sum," he adds.

But it will not be "Koor as Koor" that will be traded (a very small portion of the conglomerate's shares are now traded on the Tel Aviv Stock Exchange), but rather individual companies. For example, Elul Investments plans to raise money to finance Arit, a plant to polish lenses; Alliance Tires, traded for years, may also raise money by floating a new issue. "Another company, whose name I cannot reveal, will probably also use the stock market," (Gavish declines to say if this is a new company going public, or one already listed).

Including Koor and Alliance, another three companies in which Koor has equity are traded on the stock market today. These are Fedoil, Shemen and Teva. Two of these companies, Alliance and Teva, are also traded on the stock market in New York.

KOOR PLANS to grow also in another direction. "At present, we are negotiating to go into partnership (that is to say, acquire part of the equity) with five or six companies," Gavish says.

In another field, four new plants will be set up. Three will be partnership arrangements, but one will be financed entirely by Koor. In another case, Koor will hold half the equity, the other partner the rest.

"As for mergers, we are not planning any new ones, although we are going ahead with our project to

merge our two glass factories, Temme Bottles and Phoenixia."

In the past, Koor merged several of its plants which worked in the same lines, such as ceramics, electronics, metal working, food processing and clothing.

As for the exports, "where growth is unlimited," Gavish sees little prospect of massive deals with Lebanon, "although we are watching the situation closely. The simple fact is that Lebanon manufactures some of its own goods and has long-standing commercial ties with other countries for the rest."

Nevertheless, Koor has set up a joint company with Rasco to work in Lebanon, mainly in the field of construction.

"As for Egypt, trade was growing slowly, until the Peace for Galilee campaign." But Gavish does not believe the future will see any spectacular growth in exports until the Egyptian government officials, who control about two thirds of the country's economy, reverse their policy of not trading with Israel.

As for all other markets, which includes some countries even in the Eastern Bloc, Gavish expects the greatest growth in the U.S., followed by Europe, and then South and Central America. Africa will not grow, nor will the Far East, he adds.

The greatest area of exports in which growth is expected is semi-military items, electronics, telecommunications and, hopefully, chemicals and metals.

ANOTHER TYPE of export into which Koor is moving more and more is "exporting men, ideas and goods." The men are exported for "a very short period," but the ideas and goods stay abroad.

This field is called "turn-key projects." They are often joint ventures with other Israeli companies, frequently also with companies in foreign countries. "The idea here is manifold: to plan a project, to send our men to implement it, to use our

vast variety of regular export items in building the plant, and even to supervise it until the local personnel is capable of taking over."

One company, called Atikim, is a joint venture of Koor, Cial, Solei Boneh and Tahal, and will engage in large engineering projects abroad. In Mexico, Atikim expects to set up a plant to dehydrate vegetables, based on Ducco's "knowhow" together with private Mexican interests. In another Latin American country the project calls for raising cotton. And even in the U.S. a project to extract oil from sunflower seeds is in advanced stages of planning.

ON THE HOME FRONT, Gavish expects Koor Industries to get a good slice of the orders for re-equipping the Israel Defence Forces after the Peace for Galilee campaign. But he expects considerably less work to be available in the construction-building sector, and less goods to be supplied for infrastructure.

"Despite the ups and downs in the local market, our future lies in exporting, and "this means more R&D, more advanced technology and higher productivity," he says.

Koor's export future lies in linking R&D to that line of goods which fits into what "we call niches. This means a line for which the giants abroad don't care to retool or set up special production lines, while we with our much smaller production can do the job just as cheaply as anyone abroad.

"Above all, we must invest more in each individual worker. In the U.S., companies invest \$50,000 for each industrial worker in R&D, machines, production lines, etc. Other industrialized countries in the West spent about the same. This figure is about three times the average sums invested in each Israeli industrial worker. Although Koor invests considerably more than the national average, it is still far below the American figure," he stresses.

## COAL USE STRONG IN ELECTRIC POWER INDUSTRY

Jerusalem: THE JERUSALEM POST in English 22 Sep 82 p 3

Article by David Rudge: "'Politics' Slows Israel's Nuclear Future"]

Hadera

HADERA. — The first atomic-powered plant could be producing electricity within 12 years — provided a start is made now, Electric Corporation chairman David Hagoel said yesterday.

He told reporters that Israel needs to plan for future energy needs, including nuclear power. But the government first has to solve "political problems" which are preventing the purchase of nuclear power plants from countries already using atomic energy.

His remark referred to Israel's refusal to sign the Nuclear Non-Proliferation treaty, which involves regular inspection of nuclear facilities by international inspectors.

Hagoel said that in the interim, coal would play an increasingly important role in electricity production. Despite initial technical difficulties, the use of coal instead of oil to run power stations would save the country millions of dollars. This in turn should lead to cheaper electric prices for the consumer, he said.

Hagoel was speaking during a press tour of the \$750 million Hadera power station, where one coal-fired generator has been operating for about 12 months and

has a total capacity output of 350 megawatts. A second unit using oil is now being run in, but will switch over to coal in the next few weeks. The third unit is expected to come on stream next summer, while the fourth and final one should be in operation in the summer of 1984. When all four are running, the station will have a total capacity output of 1,400 megawatts.

Hagoel said plans for a new power station near the Eilat-Ashkelon oil pipeline terminal, just south of Ashkelon, were still being held up because of a political wrangle, but he was hoping a decision would be made in the next few weeks.

The planned station will have two coal fired generating units each with a total capacity output of 550 megawatts.

He said plans for a 100 megawatt capacity hydroelectric power station on the Jordan River at Almagor, north of the Kinneret, were going ahead. The Electric Corporation is also conducting a feasibility study for a 600 megawatt hydroelectric plant on the Dead Sea. The idea is to use water piped in from the Mediterranean to power the station.



## PLANNING OF EFRAT SETTLEMENT DISCUSSED

Jerusalem THE JERUSALEM POST MAGAZINE in English 17 Sep 82 pp 22-23

[Article by Judy Siegel Itzkovich: "City on Seven Judean Hills"]

[Text]

THE SAME architect who designed Yamit, the ill-fated town in Sinai, drew up the plans for Efrat, the urban settlement opening next month in Gush Etzion, 20 kilometres southeast of Jerusalem.

But the developers of Efrat, which is planned as the largest Jewish city in Judea and Samaria, are certain that their project will flourish as a permanent monument to the 260 Jews who were massacred in the area in May 1948.

Although it is located halfway between the capital and Hebron, Efrat won't be settled by Gush Emunim true believers. It is a pioneering effort taking root on boulder-strewn land that is unsuitable for agriculture, but will give more comforts and a better quality of life than most other settlements in the country. It was initiated by religious Jews, but the non-observant will not only be tolerated; they will be welcomed.

The first 50 families, forerunners of the 5,000 families expected to live there by 1992, are moving in on October 19, without the fanfare or incentives that accompanied the opening of roads leading to future settlements in the territories.

The low-key approach is the style of Moshe Moskovich, the initiator and founder of Efrat who will be its mayor. We'll have a ceremony when Efrat is the home of many

more Jews," says the 57-year-old moshavnik who was among the original founders of Massuot Yitzhak in 1945.

Moshko — as everyone calls him — has spent 10 years planning and pushing Efrat, which will be the first Jewish town in the country to be developed solely by private interests rather than by the government or the Jewish Agency.

"One official told me that I was lucky no-one believed that Efrat would be built — if they did, they wouldn't have let me do it," he says.

But though Moshko had a difficult time during more than half of the decade of planning and development, Efrat seems to have everything going for it today. The Judean Hills Development Company, a non-profit body established by the Gush Etzion settlements with Moskovich as its head and Zehava Ben-Ze'ev as its director general, expects to sell every one of the 200 garden homes of the first stage. And as more families move in, others may be expected to follow.

EFRAT is located 960 metres above sea level, even higher than Jerusalem, and enjoys a magnificent view of the rest of Gush Etzion: Moshav Elazar and the tents of Daniel (set up in memory of the man killed in the Bethlehem market this year) to the north; Rosh Tzurim

and Alon Shvut directly across a wadi and Kfar Etzion and Migdal Oz to the south. The Shvut Yisrael hesder yeshiva preceded Efrat by a few years, and is sited a few hundred metres north of the town.

Efrat is not located on the same spot as the ancient settlement of the same name mentioned in the Bible. The whole area of the Gush had very dense Jewish settlement in olden times.

Moshko's motivation, however, had its roots not in biblical times, but in the modern era. The original Kibbutz Massuot Yitzhak in Gush Etzion was evacuated in 1948 after it was attacked by Arab invaders. Many of his close friends were killed. "Every time I drive along this road," he says, "I remember that my friends died here. I still feel the trauma."

Some of the settlers were taken captive by the Arab Legion; Moshko was by chance on a mission abroad. His family, including his daughter, who was born in the kibbutz and who now lives in Alon Shvut, were evacuated before the fall of the Gush.

Moskovich helped found Moshav Shitufi Massuot Yitzhak near Ashkelon, and still lives there today, commuting to the Judean Hills Development Company office in Jerusalem's Rehov Alharizi and to Efrat nearly every day. He won't

the moshav, but he feels that he must live in Efrat, so he will be a part-time resident of each place.

"Meir Dizengoff," he recalls, "was once asked how one gets to be an mayor. He said 'You just have to build a city and then you can be mayor.'"

That's exactly what Moshko did.

LABOUR governments, including one with "minimalist" ministers, insisted that Gush Etzion remain Jewish. And the Begin government was adamant that the area be developed. Nonetheless, the government was hesitant at first, when Arab protests arose over the building of Efrat. Arabs in the area claimed that they owned the rocky land.

There are no Tabu records of land ownership in the area, so they couldn't prove ownership," says Moskovich.

The site chosen in the end was definitely not owned by Arabs, and no one was chased away. The nearest Arab village — Beit Fajar — is seven kilometres away.

"We have very good relations with Arabs in the area," asserts Moshko. "They are doing the construction work."

Although a few walls of the houses have been defaced by pro-PLO slogans in Arabic and English, Moshko maintains that the Arabs in general are not hostile.

He points to the fact that, unlike Kiryat Arba, near Hebron, Efrat is not built as a counterweight of defiance to an Arab town, and has no barbed-wire fence surrounding Italy. "They're the best quality," says Moshko, "as are the imported Finnish decorative wood accents on the exterior."

All the buildings are two storeys high and will be faced with Jerusalem stone, a luxury that adds 10 per cent to the cost but will ensure beauty as well as insulation from cold winds and rain. Every entrance was built with protection from the wind, and walls are extra thick, with concrete and cinder blocks, in addition to synthetic insulation.

The road via Bethlehem will make Efrat a bedroom community of Jerusalem, just 25 minutes away by car. But Moshko hopes that a direct road will be built, and will shorten the trip to the capital to 15 minutes.

The homes have a special play area near the second-floor stairwell so that children who cannot go out on bad days in winter can have fun inside without driving their mothers crazy.

The solar heaters were chosen for efficiency and for esthetics: the solar plates are flat and hug the slanted roof, and a stone retainer masks the tank from the side. Moshko says that 2,000 phone lines will be available in the Gush by December, thanks to an advanced digital phone exchange provided by the Communications Ministry.

HOMES WILL be located on seven hills, each named for one of the Seven Varieties of agricultural produce of *Eretz Yisrael*. Each neighbourhood, says Moshko, will have its own character, but central facilities will unite them into one city. A *mikve*, a community centre, two synagogues, a library and kindergartens are already in the construction or planning stages.

And Oren, a commercial firm owned by the family of MK Yigal Alon, says, "This is a city. We are not afraid," he says.

Some of the future residents of Efrat were motivated by a desire to return to historical Gush Etzion. But most seem to have bought homes there for more practical reasons.

"Pioneers 50 or 60 years ago drained swamps. Today, one can be a pioneer in a different way — by building a modern, attractive city," says Gilad Stern, an Interior Ministry official who came on *aliya* from South Africa and plans to live in Efrat.

Linda Pakter, a mother of two who lives in Jerusalem, says that she is moving to Efrat "to have a home with a garden, so that the kids can open the door and just go out without me worrying about them."

A religious woman, she is not at all perturbed that 10 per cent of those who have already bought homes in the new town are not observant.

The religious majority will not interfere with secular residents who drive on the Shabbat. The fact that there are no internal streets in Efrat — only paths and parking lots on the periphery of the housing blocks — should prevent friction on this point.

"Coming to Israel as an immigrant was my act of pioneering," adds Pakter. "Now we want a home with a piece of land and quality of life."

EVERY HOME — there are eight different types ranging in price from \$55,000 for a two-bedroom house to \$102,000 for a four-bedroom, semi-detached cottage — has its own garden.

"Having a piece of land will encourage everyone to take more pride in the settlement," says Stern.

Many cottages have red-tiled roofs, with materials imported from Hurvitz, is building a 3,000-square-metre commercial centre.

"They are not doing it for sentimental reasons," says Moshko, "but because they have faith in the future of the city and believe that they will make a profit from it."

An elementary school will take care of the younger children. A yeshiva high school for boys and girls is being built. Non-religious youngsters of high school age will travel to Jerusalem to study, but if there is enough of a demand, a state high school may be built for them at a later stage.

Moshko is aware of the danger that Efrat will remain a "bedroom community," in which most of the men are away during the day. For that reason, the development company is planning workshops and small industrial establishments that don't pollute — such as computer and electronics firms — and that will be manned by Efrat residents themselves.

A larger industrial park belonging to all the Gush settlements is being planned seven kilometres away.

Moshko is less optimistic about the possibility of a medical and dental centre for Diaspora Jews that was mooted for Efrat. Medical care abroad has become less expensive, he explains, and it is unlikely that it would be cheaper for tourists to fly here and be taken care of for less than they would pay at home.

But he has great hopes for the construction of a hotel, whose proposed location is behind a grove of pine trees once planted by the Jordanians and thus sheltered from the wind. The view is magnificent, and the air dry and clean.

He envisions it as having 200 rooms, and making Efrat a tourism centre of the territories. But there is as yet no commercial interest committed to building the hotel. "Solomon's Pools nearby will be the national park gem of Gush Etzion," says Moshko. "There is big potential for tourism here."

ON ONE HILL there is a windmill that looks like an assemblage of bicycle wheels or perhaps the construction of a child using Lego. It was designed as an experiment, at the cost of \$200,000, by a Russian immigrant named Larchin, who believes it can provide Efrat with electricity. It works at present on a small scale, and will probably

provide enough current to heat the nearby dormitory.

The dorm, nearly ready for occupancy, is part of the project developed by Rabbi Shlomo Riskin of New York, who, though closely identified with Efrat, joined the project only a few years ago, when Moshko gave him a lift to Ein Tzurim in the Gush after they met in a synagogue.

Riskin, who has attracted a wide following among college-age Jews in Manhattan, plans to come on aliya next year and to become the rabbi of the city. His aliya movement, Reshit Hageula, has not produced the large numbers of olim he originally envisioned. But his educational centre should attract many young people to classes and seminars.

Moskovics has finally resolved a dispute with the government, which had insisted Efrat be hooked up to the East Jerusalem Electric Company rather than the Israel Electric Corporation. The first 50 families will move in this month, and another 200 are expected by March.

Mayor Moskovics steadfastly believes that Efrat will grow by stages, slowly but surely, so that it will deserve the title "city" by the end of the decade. □

JORDAN

BRIEFS

LOAN FROM WEST GERMANY--West Germany has extended a loan of \$30.3 million to Jordan to finance development projects in the northern part of the capital, Amman. The loan is part of a cooperation agreement between the two countries and is being provided by the West German development and construction bank, Kreditanstalt fuer Wiederaufbau. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 30, 13 Sep 82 p 6]

CSO: 4400/25

## OIL MINISTER CALLS FOR STRONG NATIONAL COMPANIES IN OPEC

Paris AN-NAHAR ARAB REPORT & MEMO in English No 30, 13 Sep 82 pp 8-9

[Text]

Strong national oil companies are needed in OPEC countries in order to cope with the cyclical nature of the world oil market in the absence of an overall policy for members of the oil exporters' organisation, according to Kuwait's Oil Minister Sheikh Ali al-Khalifa. Sheikh Ali was addressing this year's annual seminar on energy in Oxford organised by Prof Robert Mabro of St Antony's College and the Kuwaiti minister warned OPEC states that if they failed to put their collective house in order, the next downswing of a roller-coaster oil market could be worse than the last one.

Just how serious the present slump has been was underscored last week by OPEC's Secretary General Marc Dan Nguema. He assessed the likely loss of foreign exchange earnings from oil exports by member states of OPEC at \$148 billion for 1982. And while spot market prices have been firmer, in part because of a likelihood of lower exports by Iran, the short term prospects for the oil market as a whole do not appear to be improving. Two of oil's "Seven Sisters," Shell and BP, have both said they have ceased to draw down on their stocks of oil, but BP said last week that the company's reserves of oil are now stable at 90 days supply and that no substantial re-stocking is expected in coming months.

Sheikh Ali's criticism of OPEC went much further than the lack of a policy to deal with fluctuations in the oil market because it linked oil revenues to government expenditure in oil exporting states and the effect this expenditure has had upon oil production levels. The cyclical nature of the market, he explained, was due to the fact that big increases in the price of oil have been followed by a drop in demand for OPEC oil. "The response of OPEC to this

cyclical oil market," Sheikh Ali declared, "has been to allow the oil price to increase sharply in times of shortage, witness 1973-74, 1979-1980." But when the market turned soft as a result of these price increases, OPEC's pricing policy meant that "strains and stresses" were magnified inside the organisation because of the problem of production levels in individual member states.

The importance of production levels must be given due emphasis, Sheikh Ali asserted, because of the link between oil revenues and government expenditures. And experience had shown that these outgoings increased dramatically in OPEC countries after increases in the price of oil. "Government expenditure of OPEC member states increased by more than 20 per cent compounded annually each year following a price increase," Sheikh Ali said, adding that higher spending then became "irreversible." This led to irreversible import requirements and disrupted the non-oil sectors of the economies of the oil exporters. And this in its turn "weakens OPEC's ability to deal with the inevitable soft market that follows an oil price increase," Sheikh Ali warned. "This is something OPEC countries have to look into," he commented with considerable understatement.

In other words, a vicious circle of the oil exporters' own making and, as the Kuwaiti minister noted, the lack of a collective policy and the oil policies of many national oil companies inside OPEC over the past decade has now brought some very unwelcome chickens "home to roost."

Sheikh Ali also complained that OPEC lacked any policy concerning the national oil companies of individual member states and he stressed the need for these companies to be strong, dynamic and run by



professionals in order to be able to adjust smoothly from tight market conditions to those of a surplus. The need was "self-evident" in a tight market, he said, but the strength of national oil companies was even more important when the market turned soft because this eventually led to "substantial" price discounts. It was "most distressing," he declared, that strong national oil companies had been allowed to develop in only a few OPEC countries and he ascribed this to the "inexcusable" decisions taken at the top in countries where the companies were weak. "Unless collective policies are implemented, he warned, "history will only repeat itself in terms of the events that transpired during the last decade, and possibly in a more acute manner."

Mr Nguema was also speaking at the Oxford seminar and his prescription for OPEC hewed closely to the long term strategy proposed by Saudi Arabia's Sheikh Ahmed Zaki Yamani and other like-minded OPEC ministers in 1980. "These policies," OPEC's Secretary General asserted, "would envisage moderate but consistent and gradual price adjustments aimed at maintaining the real purchasing power of export revenues and providing an incentive for alternative sources of conventional energy." Brave words and eminent good sense, but the oil exporters must first find a way out of the vicious circle described by Sheikh Ali. They must also find ways of disciplining those members whose cavalier disregard for OPEC's rules have transformed them into a noose around the necks of those who believe that an orderly market in which member states hang together is vastly preferable to today's disorderly scramble to sell oil in which there is a strong likelihood that they will all hang separately.

Mr Nguema told the seminar that the depressed state of the market meant that the volume of OPEC's production was down by an estimated 40 per cent on 1979's output and that the current account for OPEC as a whole would be in deficit by \$9.5 billion in 1982. The deficit would, he predicted, be turned into a surplus of about \$6 billion in 1983.

## ANALYSES OPEC STATES OF AGGRAVATING OIL CRISIS

PARIS AN-NAHAR ARAB REPORT &amp; MEMO in English No 31, 20 Sep 82 pp 9-11

[Text]

Kuwait's Emir, Sheikh Jaber al-Ahmed al Sabah, last week accused fellow member states of OPEC of aggravating the crisis for oil exporters by breaking the organisation's agreements on production and pricing levels. Sheikh Jaber, whose public utterances of this sort are rare and therefore should be given exceptional weight, was quoted by Kuwaiti newspapers as saying that some unnamed OPEC countries "did not observe production levels or price differentials, but increased their production and lowered prices, which created an imbalance in the oil market."

Sheikh Jaber added that industrialised countries had likewise contributed to the oil exporters' difficulties. They had "lowered their consumption of oil in a way we had not expected, which created an oil surplus in the world market and a decline in the income of oil exporting countries." Demand for oil might increase some time in the future, the Emir declared, "but not to the extent that some imagine." As a result, he said, development in Kuwait and in other states in the region would be affected and "some countries have already scrapped some projects."

Sheikh Jaber noted that local prices for gasoline had been raised sharply to put brakes on steeply rising demand, and he indicated that the Kuwaiti government was also considering raising the price of electricity. Kuwait's oil production is reported to have fallen to 800,000 b/d, well below its requirements for oil and gas to run local industry, power generation and water desalination, and the country has a budget deficit for the current fiscal year.

Sheikh Jaber's charges underscore three fundamental problems for those member states of OPEC which observe the agreements worked out by

their oil ministers at meetings of the organisation. These are 1) creating stable conditions in the crisis-ridden Middle East that would in turn provide stability in a traditionally volatile world market which OPEC controls only sporadically; 2) the true price of oil; and 3) the differing requirements of OPEC's "high absorbers" and "low absorbers."

The first and third questions were touched on by Sheikh Jaber's own Oil Minister, Sheikh Ali Khalifa al-Sabah, in a paper delivered at this year's Oxford Energy Seminar (*An-Nahar Arab Report & MEMO*, September 13). Sheikh Ali argued that sudden rises in the price of oil have been followed by falls in demand in the industrial world while, at the same time, the increases in oil revenues of exporting countries led to higher levels of imports which soon became irreversible. Sheikh Ali cited the price increases of 1979 and 1980 and the subsequent slump in demand which produced the current oil surplus; it is noteworthy, as this newsletter emphasised during the period when oil prices shot up during the last days of the Shah of Iran, that it was buyers and not sellers who were making all of the running in the scramble to obtain oil to replace Iran's pre-revolutionary exports of 5 million b/d. OPEC merely tagged along, adjusting prices upwards at the dictates of a spot market fuelled by a few greedy producers, notably Iran, who were deaf to warnings by far-sighted exporters, with Saudi Arabia and Kuwait among their leaders.

The second question on the price of oil was addressed obliquely at the same seminar by Dr Mana Saeed al-Oteiba, the UAF Oil Minister. He urged a price freeze until the end of 1984 or even to the end of 1985 to stimulate a demand for oil. This, he said, had

...dangerously low level. But he stressed that the OPEC benchmark price of \$34 per barrel for Arabian Light crude should not be reduced because this would produce the risk of a price-cutting war.

The only solution is to stimulate demand, and the best way to do that is to continue the price freeze for another two or three years," Dr Oteiba stated. He added that he favoured maintaining OPEC's current ceiling on exports of 17.5 million b/d to defend prices until demand increased.

What is implicit in Dr Oteiba's statement is that \$34 is not a true base price for oil but rather an arbitrary one picked by OPEC. The truth of this can be confirmed by those who remember the wrangling inside the organisation until Saudi Arabia finally agreed to raise its price by \$2 from the \$32 price it had been charging in an effort to hold back the most avid of the hawks. At that time, Sheikh Ahmed Zaki Yamani said he could see no justification for a price higher than \$28 per barrel for Arabian Light.

But if \$34 is not a true price and Dr Oteiba speaks of the risk of a price war — and it is a very real risk in view of the price-cutting and hidden discounts being used already by some OPEC states — is there a floor price? Sheikh Ali gave some indication that there might be when he pointed to the way in which high prices have encouraged all of the oil exporters to become "high absorbers" of imports. The truth of his thesis is, of course, tempered by the degree to which those countries inside OPEC which built up large financial reserves are resolute in their determination not to dip into these reserves to meet current shortfalls. Nevertheless, we have seen Kuwait, one of the doughiest of the perennially surplus revenue states, going into deficit. And with oil industry sources estimating overall exports for OPEC at under 17 million b/d and Saudi Arabia's foreign sales at 5.5 million b/d or less, Saudi Arabia's Finance Minister Sheikh Mohammed Aba al-Khail must now be seeing the Kingdom's accounts written in red ink for the first time in many years.

The crisis can thus be said to have reached depths at which the differences that have plagued relations between such "high absorbers" as Nigeria, Indonesia, Iran and Algeria with what were low-absorbing countries such as Saudi Arabia, Kuwait, the UAE and Qatar have been narrowed. What remains to be seen, however, is whether this temporary and to some extent artificial narrowing of differences in requirements is enough to induce those countries inside OPEC which are undermining the stability of the oil market by ignoring OPEC ministerial

agreements to cease these violations of collective undertakings.

If they did, a floor price could quickly be established with perhaps only slight slippage from the \$34 per barrel OPEC price. What will happen if cut-throat competition for market shares by some OPEC states persists for much longer is far harder to predict. Until now, what could be termed OPEC's elder statesmen have preferred to minimise the effects of violations of pricing and production agreements even though these resulted in a shrinking share of the oil market for themselves. Their argument was that the passing discomfort was outweighed by far by their own interests in keeping OPEC alive, precisely because the collapse of the organisation during a glut of oil would be followed by a free-for-all buyers' market with no visible floor price.

The portents for a workable agreement inside OPEC are gloomy. Iran clearly has no intention of staying within an export ceiling of 1.2 million b/d if circumstances permit it to export more oil (see following article). Furthermore, a price of \$28 per barrel for Iranian Light of similar quality to that of Saudi Arabia's benchmark crude is being widely quoted inside the oil industry despite assurances to the contrary by Iranian officials. "Iran is in full agreement with the OPEC price structure and the marker crude's \$34 a barrel price base," Iran's Deputy Petroleum Minister for International and Commercial Affairs Dr Abbas Hoonardoost stated in a telex message to this newsletter. "With regard to differentials," he added, "our position is that if the ceiling of 17.5 million barrels for total OPEC production is allocated between OPEC members, at least on historical basis, the question of differentials will be no problem." Iran has argued since the imposition of production ceilings that this means that the combined exports of the three main Gulf producers, Saudi Arabia, Iran and Iraq, should be limited to 10 million b/d and that, for "historical" reasons, Iran's share should be set on the basis of exports when the Shah was riding high.

Mexico, although not a member of OPEC, is a big exporter for whom increased sales of oil will be a vital element in moves to pull back from the brink of bankruptcy. There have also been disquieting reports from Venezuela of financial problems even though the country's foreign debts can in no way be compared with the \$80 billion or so which Mexico owes to foreign bankers. Venezuela's foreign debt amounted to \$18.56 billion on June 30, according to President Luis Herrera Campins, and he added that servicing was proceeding normally and that there were no plans

to a rescheduling of borrowings. But Venezuela's foreign exchange reserves fell by \$345 million to \$6.15 billion in August, according to the Central Bank's latest statistical bulletin, and this is the lowest they have been since October 1979 despite a slight increase in oil revenues. These rose by \$17 million in August to reach \$1.08 billion and represent 65 per cent of all inflows. But earnings from oil were down by 27 per cent during the first eight months of 1982 when compared with the same period for the previous year. At the same time there were reports from Paris that an eight-year \$500 million syndicated loan being assembled for Venezuela's state-owned electricity companies at 1 per cent above LIBOR or 7/8 of 1 per cent above prime rate now appears to be in serious trouble. The reports said an unnamed Kuwaiti bank was the only finance house that was willing to join the eight lead managers who underwrote the loan as co-lead manager.

At the last meeting of OPEC ministers, Venezuela threatened to ignore production ceilings if other member states refused to stay within their allocated export levels and this warning, although not implemented at the time, must now be seen as a serious one. Like Iran, Libya shows no signs of halting discounts on its oil; creditors pressing for payment of overdue bills have been offered Libyan oil instead of cash.

Clearly, however, there are limits to which even OPEC's most moderate members cannot be pushed. Judging from Sheikh Jaber's carefully chosen words, these limits have not yet been reached but cannot be far away.

## GOVERNMENT ACTION TO DEAL WITH STOCK MARKET CRISIS NOTED

## Reforms Promised

Paris AN-NAHAR ARAB REPORT & MEMO in English No 34, 11 Oct 82 pp 4-5

[Text]

Kuwait's Prime Minister Sheikh Saad al-Abdullah al-Sabah last week promised measures to reform dealings on the country's two stock exchanges and pledged that the government's actions would be used to punish market manipulators. Sheikh Saad was speaking at a special session of Kuwait's National Assembly to endorse an Amiri decree ordering the registration within 30 days of all business deals involving post-dated cheques, a method for obtaining unregulated credit used especially by traders on Kuwait's unofficial Souk al-Manakh over-the-counter securities market. *Reuters* quoted sources in the parliament as saying that many of its 50 members were very critical of the government's use of a decree rather than leaving a resolution of the current stock exchange crisis to the law courts.

Sheikh Saad reassured the assembly that those who were found to have manipulated the market would be taken to court. Earlier, Finance Minister Abdul-Latif al-Hamad said some traders "will certainly go to jail." The true size of the crisis will not be known until all registered cheques have been cleared and premiums of several hundred per cent which buyers of stocks agreed to pay in order to get credit are expunged from the cheques by a special adjudication board headed by a judge. Mr Hamad estimates the deficiency that will then be revealed could be about KD 2 billion (\$7 billion) and he added that holders of dishonoured cheques will have to bear their losses. The Amiri decree also suspended bankruptcy proceedings to prevent insolvent investors from escaping their obligations.

Sheikh Saad said the Kuwaiti economy derives its strength from an abundance of resources, planned investment and sound spending policies together with vigorous economic institutions. These should be protected by all, Sheikh Saad declared, and he promised measures to reform market dealings. Earlier, in an opening address to the assembly, Kuwait's Emir Sheikh Jaber al-Ahmed al-Sabah blamed the crisis in the securities markets on those who made "a rush for swift gains under the umbrella of the free economy in Kuwait."



## Forward Dealings Halted

Paris AN-NAHAR ARAB REPORT & MEMO in English No 31, 20 Sep 82 p 8

[Text]

The Kuwaiti authorities have halted all forward dealings on the Stock Exchange and for the time being investors will not be allowed to buy securities with post-dated cheques. The measure, which is described as temporary, is one of a number of moves intended to stem the crisis in Kuwait due to slumping share prices. Forward dealings were earlier stopped in the unofficial Souk al-Manakh over-the-counter market for securities.

Reports from Kuwait say the decision to halt forward trading was taken by a committee headed by Jassem al-Marzouk, the Minister of Commerce. The recent fall in share prices on both exchanges means that purchasers of securities at the prices which obtained a year ago when cheques were signed are no longer able to meet their commitments. Outstanding cheques are reported to have a face value to about KD 4 billion (\$14 billion) and many are due to mature in the next few months. Actual defaults are expected, however, to involve only a fraction of this sum because a large number of the cheques cancel out each other. To help in this process the government has set up a clearing system for post-dated cheques and is arranging bridging loans through the banks.

Previously, the government has sought to protect investors when share prices fell by offering to buy securities at specified prices. This time, the state has not intervened in this fashion, although it has announced that it will back the creation of a company which will trade in shares with a capital of KD 200 million (\$685 million) to bolster confidence in Kuwait's securities market (*An-Nahar Arab Report & MEMO*, August 30 and September 6). Mr Marzouk said Kuwaitis would hold 51 per cent of the shares in the new company and the remainder of the equity would be offered to companies in other Gulf states.

Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 27 Sep 82 p 8

[Text]

Kuwaiti authorities last week took decisive steps to discover just how much money is involved in the crisis over post-dated cheques used to finance share deals in the country's two securities markets. The move came amid growing indications that the crisis could be far worse than had hitherto been expected. One informed estimate is that the total value of outstanding forward cheques could reach as high as KD 20 billion (\$70 billion). Losses on dishonoured cheques could amount to KD 2 billion (\$7 billion) after all the deals had been sorted out and action taken to seize assets of individuals who were unable to meet their obligations, according to Kuwait's Finance Minister Abdel-Latif al-Hamad. These losses would have to be assumed by the holders of the cheques, he said. The gravity of the crisis can be gauged by comparing the prospective losses against the total of about KD 3.5 billion (\$12 billion) for cash in circulation and call and time deposits in Kuwait.

An Amiri Decree published in Kuwait's official *Gazette* on September 20 orders the registration of all deals involving post-dated cheques with the National Bank of Kuwait within 30 days. These cheques were used as collateral for share deals on both Kuwait's official Stock Exchange and the unofficial Souk al-Manakh over-the-counter exchange. All dealings involving post-dated cheques were barred earlier for dealings in both markets (*An-Nahar Arab Report & MEMO*, September 20). After the deadline, the decree stipulates, a five-member adjudication board headed by a judge which is to be appointed soon will disregard all claims, requests or complaints concerning unregistered cheques. The National Bank of Kuwait is to act as agent for a new Kuwait Clearing Company, which was been set up to clear the post-dated cheques. The new company's Chairman is to be Hilal al-Mutairy, Deputy General Manager of the Kuwait Investment Company.

Clearing the cheques and cancelling out cheques by debtors in one deal who are creditors in another is expected to reduce the gross deficit in dealings to between KD 7 billion and KD 8 billion (between \$24.5 and \$28 billion). This sum would be reduced still further by the arbitrary writing down of the face value of the cheques to remove premiums which buyers agreed to pay when taking immediate delivery of shares in return for cheques dated one year forward, the Finance Minister said. These premiums have run as high as 400 per cent of the price of the shares when they were purchased. Trading reached its height in the spring of this year on the Souk al-Manakh but since

then, share prices on the unofficial market have fallen by about 60 per cent while prices of shares in the 42 Kuwaiti companies listed on the official market have declined by about 15 per cent. The unofficial market deals mainly in shares of Gulf companies registered outside Kuwait. Many of these companies exist only on paper.

Kuwaiti law requires banks to honour cheques regardless of when they are dated provided that the drawer of the cheque has sufficient funds. Overdrawing an account is a violation of this law and Mr Hamad said the assets of illiquid individuals would be confiscated. Earlier, the government refused to allow insolvent Kuwaitis to file bankruptcy petitions until they could show that the family's assets had been pledged to creditors and that no attempt had been made to hide assets. Mr Hamad said earlier that individual speculators would not be bailed out by the government as they had been in the past when official Stock Exchange prices plummeted. But he added that financial institutions which were hurt indirectly because deals by their clients had turned sour would receive support from the government.

There are however indications that subsequent actions by the government will help temper the wind for speculators shorn by the crisis. One suggestion which a delegation of Chairmen of Kuwaiti commercial banks is understood to have made to Crown Prince Sheikh Saad al-Abdullah al-Sabah would involve immediate payment of 25 per cent of the value of a cheque, another 25 per cent after three months and the remaining 50 per cent after six months. Earlier reports also indicated that banks would be encouraged to give bridging loans to investors, presumably to those who are most likely to be able to meet their obligations if given some help and some extra time.

The Amiri Decree runs for one year and can be extended for another year. It was promulgated while the National Assembly was in recess and the Kuwaiti parliament has been summoned to meet on October 5 to endorse its provisions. Clearly, however, it is unlikely to be the government's last word on the crisis; just what its dimensions are will not be known until all cheques are registered during the coming month. The estimate of KD 20 billion for the total face value of post-dated cheques came from International Financial Advisers, which has been acting as a private clearing house. IFA said it had handled cheques for KD 415 million (\$1.4 billion) for only 45 clients since it began operations on September 1.

NATIONAL MOVEMENT OFFICIAL INTERVIEWED

London AL-HAWADITH in Arabic No 1347, 27 Aug 82 p 57

[Interview with Karim Muruwwa by AL-HAWADITH in Paris; date not specified]

[Text] A few days after Israel's invasion of Lebanon, a delegation from the Lebanese National Movement undertook at the official request of the latter to visit a number of Western European capitals in order to inform European officials of the ugly Israeli invasion and expansionist goals at the expense of the Lebanese and Palestinian peoples and to persuade these officials to try, in turn, in the international arena to halt the Israeli invasion and work for Lebanese unity and national sovereignty. The delegation was headed by Karim Muruwwa, a member of the National Movement, who made Paris his base of operations in Europe. He met there with President Mitterrand's advisor on Middle Eastern affairs and with officials in the Middle East Department of the French Ministry of Foreign Affairs. He granted AL-HAWADITH the following interview in Paris.

[AL-HAWADITH] What, in your opinion, is Israel's motive for its aggression against Lebanon and the PLO?

[Muruwwa] It is a fact that Israel's objectives in invading Lebanon are no longer hidden from anyone. While Israel's leaders did not clearly disclose their objectives in their statements, the events of the barbaric aggression and its continuation demonstrate that its purpose is not only to drive the Palestinian fighters out of Beirut and southern Lebanon, but to liquidate them physically. That is because they want to eliminate every symbol of Palestinian "nationalism" and Palestinian rights which have now become the object of all mankind's concern. At the same time, Israel is also aiming at eliminating the patriotic Lebanese fighters regardless of their affiliation or political orientation. After they are eliminated in Beirut, Lebanon is to have a future as Israeli conceives it, i.e., a country governed by force and bound politically and in all public matters to Israel and its ambitions in the Arab World. I can almost say in this connection that Israel's goals in invading Lebanon are unmistakably consistent with America's announced and unannounced goals in the Arab World.

[AL-HAWADITH] What is your opinion of the Lebanese attitude toward the situation in which they are living today due to Israeli aggression and occupation?

[Muruwwa] I must say the Lebanese are patriotic and their political leaders stand united before the calamitous happenings that are befalling their country and destroying all traces of life, although the forms of expressing guilt are different as are the levels of clarity in exhibiting such guilt. That is because all the Lebanese are completely convinced that Israel, which is now occupying militarily almost half of Lebanon, has linked the occupation to its old expansionist ambitions in Lebanon that embrace not only the waters and part of the South but the entire country, i.e., type of government there and its partition into petty sectarian states.

The Lebanese National Movement has declared, as other patriotic forces have done, that the Lebanese must close ranks regardless of their political and party positions to enable Lebanon to survive as a land, people, and political entity and to prevent the invading military forces from imposing a policy of fragmentation and breaking up into groups. Any other stand will inevitably lead to the fragmentation of Lebanon and serve the aggressive expansionist goals of Israel.

[AL-HAWADITH] Why are you here in Paris at this time? And what do you think of the French attitude toward the events in Lebanon and peaceful efforts to reach a settlement there?

[Muruwwa] I am here with some of my comrades from the Lebanese National Movement on an official mission in behalf of the movement in order to make political contacts with political organizations and governments and to participate in all the displays of popular solidarity with Lebanon abroad. We have met with government and party officials in France, Britain, Italy, Spain, Belgium, West Germany, Austria, and Greece to gain more support for Lebanon in its present ordeal, induce the governments of these countries and their political officials to act on the international level to halt the massacre Lebanon is experiencing, try to bring about the withdrawal of Israeli forces from Lebanese territory, and work to achieve the legitimate national rights of the Lebanese people.

The most important matter that we placed before the European officials whom we met was the need for the European governments to exert pressure on Israel by taking steps to apply an economic and even diplomatic boycott because Israelis do not understand the language of protest and accusation. The European states should also approach the United States to urge it, in turn, to pressure Israel to halt its aggression against Lebanon, which it carries out with American arms, and to withdraw from all Lebanese territory.

As for France's stand, it is considered to be the clearest and most positive of all the European Common Market countries. France's clear and strong stand was reflected in official statements voiced by President Mitterrand and other officials. We believe the French initiative laid before the UN Security Council to resolve the Lebanese crisis and amend Resolution No 242 dealing with the Palestinian issue is an important and effective step to aid Lebanon on the international level. I can say that I became convinced through my contacts with French officials that the French are doing everything in their power to guarantee Lebanon's territorial integrity, unity, and national sovereignty. The French assert the solution to the Beirut problem has to be firmly linked to a comprehensive solution to both the Lebanese and the Palestinian problems.

[AL-HAWADITH] What is your opinion of the Arab world's stand on the Israeli aggression against Lebanon?

[Muruwwa] Unfortunately, the Arab world's stand is one of the factors that have contributed to the tolerance of Israel's continued aggression against Lebanon. I am completely convinced that Arab capabilities - political, diplomatic, economic, and even military - were sufficient to curb this Israeli animal which escaped from its leash. However, the Arab states did not use these capabilities. This became strikingly clear when not only Arab officials but also the masses remained silent.

[AL-HAWADITH] How do you assess the diplomatic stand taken by Egypt in behalf of the Lebanese and the Palestinians?

[Muruwwa] One of the differences between the Egyptian and the Arab stands is that the pressure exerted by the Egyptian regime in the international sphere is almost greater than (the direct) Arab pressures against Israel. In view of what is happening, we cannot conceive of any genuine possibility of Israel coexisting peacefully with the Arab countries. It has also now become clear that there is no truth whatsoever in the claims of Israel's supporters in the West that it is the state that is threatened in the Middle East because it is Israel that launches attack after attack on the Arab states. The events in Beirut and Lebanon leave no room for doubt that Zionism cannot work for a true and just peace with its adversary. Indeed, it is constantly striving to destroy its adversary or dominate and control him. This is the current view held by leading Jewish world figures who had previously been friendly to and supportive of Israel's policy in the region.

[AL-HAWADITH] What do you think of the process of electing the president of the republic?

[Muruwwa] The leaders of the National Movement expressed in more than one announcement and on more than one occasion its view that it is impossible and illegal to hold presidential elections in the shadow of the occupation since it would be in violation of Lebanese national sovereignty and impugn the legitimacy of the elections and the elected president. We also believe the appeal to work for the ouster of the occupier from Lebanese territory is a condition for holding legal and genuine elections.

In our estimation, the arrival of international forces in a greater and united Beirut for the purpose of disarming all the Lebanese and gradually enlarging the zone of operations in Lebanon is a means of solving the problem and putting an end to the Israeli aggression and blockade of Beirut. It can help create suitable circumstances for holding elections with (at least) minimum legality. This is what most of the political forces outside and inside Parliament assert. That is because we believe the military occupation is uglier than the constitutional vacuum.

CSO: 4404/691



PROBLEMS CITED IN RESTARTING AL-ZAHRANI REFINERY

London AL-HAWADITH in Arabic No 1349, 10 Sep 82 p 46

[Article by 'Adnan Karimah]

[Text] Less than 2 and 1/2 months after the bombardment by planes, warships, and tanks that caused great damage estimated at about \$25 million, partial repairs were begun on the oil installations in the Zahrani region to restart the American Madrico refinery for the Lebanese government in the shadow of the Israeli invasion.

Minister of Industry and Oil Muhammad Yusuf Baydun took this step in the form of a letter to the American company on 11 August in which he urgently requested haste in making the necessary arrangements to operate the refinery. He said:

- The ministry is anxious that the various repairs be made to ensure that the refinery will be supplied with the crude oil that it needs by the Tapline Company and its pipes on land and in the sea.
- It is also anxious for assurances that it will receive various kinds of fuel - gasoline and gas - by sea through the pipes under water and on land as quickly as possible.
- We request that the necessary technical arrangements and feasible repairs be made as quickly as possible to ensure the receipt of crude oil and refined petroleum products and that the necessary contacts be made for this purpose with the Tapline Company.
- We promise to pay all the repair costs and expenses in addition to the amount of the possible losses and damage that may result from your undertaking the repair work to ensure the operation of the refinery and receipt of crude oil and all the refined products both imported and stored in the Tapline installations, even if the cause is force majeure, like acts of God, or for any other cause beyond your control.

The oil installations in the Zahrani region in southern Lebanon are divided between two American groups:

1) Storage and transport facilities of the Tapline Company include storage tanks, internal pipelines, equipment for unloading and loading, and other oil equipment, also the pipeline extending from Saudi Arabia to the Lebanese coast. This company is jointly owned by four of the largest American oil companies which had previously controlled Aramco, i.e., Mobil Oil, Standard Oil of California, Exxon, and Texas Oil. The Israeli bombings destroyed some of the internal and external pipes and loading and unloading equipment. Repairs are estimated to cost about \$5 million.

(2) Refinery installations of Medreco include refinery units, some storage tanks, and a network of internal lines belonging to an American Company owned jointly by Mobil Oil and Caltex. However, it works for the Lebanese government represented by the Ministry of Industry and Oil in accordance with an "operating agreement" concluded by the two parties more than 7 years ago. Its output of 17,500 barrels a day covers 35 percent of the local consumption. Israeli bombs set fire to or ruined a number of its tanks, some equipment, and the pipes. Complete repairs, especially since all the equipment is old, are estimated to cost about \$20 million.

Will the government pay these large sums to restart the American Medreco refinery?

Specialists studied the request of the minister of industry and oil in the light of the actual situation of the two companies (Medreco and Tapline). It is clear that the refinery can be restarted by making partial repairs on the two companies' installations, which extend from the sea to the storage tanks and then to the refinery unit, at a cost (that may be) no more than \$100,000. The Lebanese government showed its readiness to pay it. Since the refinery operates at the expense of the government, the repair work began immediately. The Tapline Company, got in touch with its base in Dhahran, Saudi Arabia, and observers expect the Zahrani refinery will resume the refining of crude oil before mid-September.

But why is the government rushing to operate the refinery and bearing the repair costs?

Since the Israeli invasion of Lebanon, most of the South and even part of besieged West Beirut, Israeli gasoline has been consumed and at a high price - more than double the price of Lebanese gasoline. The remaining parts of Lebanon use gasoline refined in the Tripoli refinery as well as some imported gasoline. However, recent political developments and the intensified military clashes between Israeli and Syrian forces in the Biqa' Valley and the North have resulted in a partial and perhaps total interruption in the supply of gasoline coming from the North to the other parts of Lebanon. Hence, there is a fuel crisis in East Beirut and Jabal Lubnan as well as in besieged West Beirut. Officials fear the crisis may continue with the increase of military operations in the region. Therefore, Minister of Industry and Oil Muhammad Yusuf Baydun, after consulting with President Ilyas Sarkis and Prime Minister Shafiq al-Wazzan, was eager to move in two directions:

(1) Continue to make deals for importing gasoline from abroad and store it in reserve tanks situated in the eastern region.

(2) Try to restart the Zahrani refinery to meet local needs.

The question remains: What is the stand of the Israeli occupier?

Israeli radio broadcast a study of the Zahrani refinery done by its correspondent in southern Lebanon who quoted the first deputy Amos Bar-Hayim, chief of the economics branch in the civil administration of the Israeli Army in southern Lebanon, as saying: "Restarting the Zahrani refinery with oil coming from Saudi Arabia to Lebanon in the region controlled by Israel is a matter of the utmost political significance."

But it appears "this political significance" will not be relished by the Israeli party for several reasons, the most important being:

Political - it is related to resumption of the pumping of Saudi oil to the Lebanese coast. Execution of such an action depends on a Saudi-American decision that takes into account changes in the region. However, Saudi oil will flow through pipelines stretching from Saudi Arabia to Lebanon and passing through Jordan and Syria as well as territories occupied by Israel.

Economic - it is related to the position of the Tapline Company on repairing the damage done to its installations. It is clear that the Lebanese government agreed to assume the costs of the repairs, which will amount to \$60,000. Imported crude oil can be received by sea. As for receiving Saudi oil through the main pipelines stretching from Saudi Arabia to Lebanon, the repairs will cost \$5 million. The government is not prepared to assume them, although the company is losing about \$25 million annually.

Regarding the competition between Lebanese and Israeli gasoline, Israel has undoubtedly benefited from the sale of its gasoline at high prices, now 65 Lebanese liras a 20-liter can, despite the fact that the price in Israel is about 40 Lebanese liras. The reason for the difference may be that the Israeli price is supported by the Israeli treasury, and since the price of Lebanese gasoline produced by the Medreco refinery is 30 liras, the southern consumer inevitably prefers it to Israeli gasoline. And who knows, it may be among the consumer goods smuggled into the occupied territories.

5214

CSO: 4404/691

## DEVELOPMENT PROJECTS NOTED

New Delhi AFRICA DIARY in English 11-17 Jun 82 p 11011

[Text] Skilled manpower needed for Mauritania's modern sector will be trained with the assistance of a credit of SDR 4.9 million (\$5.7 million), the International Development Associated (IDA) announced today. A second education project, to cost a total of \$15.3 million, will continue IDA's support for manpower development that started under a first credit approved in 1974. In Mauritania, about 4,500 skilled jobs need filling each year. The annual supply of secondary school graduates to fill these positions is about 1,500. About 300 student graduate each year with a baccalaureate degree. The shortage of skilled manpower is especially serious in the country's modern industries, agriculture, mining, and fisheries, and in the education system itself.

The first education project, supported by an IDA credit of \$3.8 million, helped to establish a general vocational training center and a mining industry training center. A training program for farmers involved in irrigation schemes was set up. Technical assistance was provided to the Directorate of Planning. Under the second project, the vocational training centre at Nouakchott, which began operating in March 1981, will be provided with additional facilities and equipment, increasing its one-year training capacity from 145 to 365 workers annually. A maritime training center will be established at Nouadhibou, the country's main fishing port. Annually, about 30 new workers will be trained and 180 retained for deck and engine room duty in the industrial fishing fleet. Two training vessels will be purchased.

A new teacher-training college will be established in Nouakchott to provide teachers for lower secondary schools. With a capacity of about 280, the college is expected to graduate about 130 each year from a two-year curriculum. These teachers will enable Mauritania to decrease its dependence on expatriate teachers, thus reducing its education budget. A planning department will be set up in the Ministry of National Education to improve the administration of the nation's school system at all levels.

CSO: 4500/9

MOROCCAN PRESS ASSESSED

London AL-SHARQ AL-AWSAT in Arabic 3 Aug 82 p 8

[Article by Talhah Jabril: "Problems Impeding Progress of Moroccan Press: Partisanship, Weakness of Technical Resources, Reluctance of Capital To Break into this Field"]

[Text] The itinerant newspaper vendor on Muhammad al-Khamis [the Fifth] Street in Rabat carries his merchandise in silence; only rarely does he call out to potential customers to tell them what he is selling. This has nothing to do with the fact that this vendor cannot shout about his merchandise as other vendors do in some Arab capitals. The problem rather lies in the fact that the heavy load of Moroccan and foreign newspapers he is carrying does not allow him to tell people about everything he is carrying.

The number of daily newspapers that are currently being published in Rabat and Casablanca alone amounts to 10. This does not take into account the daily newspapers that have been suspended following the disturbances in Casablanca. [This also does not take into account] approximately 30 weeklies and monthlies as well as regional newspapers.

A university student who usually skims newspapers but does not read them gives the vendor a Moroccan dirham to let him do that. That student says, "How can I buy all these newspapers? That would cost a month's salary of a worker who is employed in Casablanca."

Circulation of the most popular Moroccan newspapers may not exceed 30,000 copies daily in a country whose population is 22 million. This has several interrelated reasons.

The meager resources of the Moroccan press--and most Moroccan newspapers are partisan newspapers--are directly reflected on their editorial standards. Moroccan newspapers rely on no more than 10 editors, except in exceptional cases. In most cases their regional correspondents are not professionals; most of them are teachers, students and (al-Suwah) unskilled workers.

Despite the fact that some Moroccan journalists are highly competent, the meager resources of the newspapers where they work limit their activities. These journalists have to come up with a daily newspaper under difficult circumstances.



A newspaper editor is called upon to write, translate, edit, proofread and sometimes typeset.

Limited resources compel most newspapers to print early, to treat news perfunctorily and not to pay attention to exclusive stories. Also the fact that these newspapers are partisan by nature denies them the opportunity of dealing with domestic news in a liberal manner. In this regard one editor-in-chief says with dismay, "We have many news, but unfortunately we cannot publish all of it for political considerations."

Moroccan newspapers rarely send their writers abroad. They rarely even send them to another city in Morocco to cover some incident. This is because of the shortage of resources. What is astonishing is that this even applies to conferences and meetings in which Morocco participates. In these cases newspapers depend on the Moroccan news agency, and it lacks resources too.

Despite these difficult circumstances, however, Moroccan readers follow what their press writes, and they try to keep up with what newspapers write. Therefore, one notices that these newspapers rely on sales to ensure a significant part of their publications costs. In spite of that Morocco is a wide open market for scores of Arabic and foreign newspapers, both rightist and leftist. Correspondents in Morocco move about freely and they send their dispatches to publications that are published in several languages: Arabic, French, Spanish and English. Sometimes readers rely on the activities of these correspondents to get details of some domestic news.

As to why Moroccan readers want to read Moroccan newspapers, one of the Moroccan media people says, "Quite frankly because our press is not commercial."

From a legal standpoint publishing a newspaper in Morocco does not involve complicated measures. Any Moroccan citizen can file an application with any court of first instance, indicating in his application the sources of funding for his newspaper, which must be Moroccan. Soon afterwards he receives approval.

Despite the stiff competition Moroccan newspapers get from foreign newspapers, this did not prevent Moroccan newspapers and journalists from taking on the challenge and competing.

The newspaper AL-'ALAM is one of the oldest Moroccan newspapers. It is practically regarded as an information institution in Morocco, for many journalists are its veterans. AL-'ALAM recently published a monthly magazine called AL-'ALAM AL-SIYASI.

A group of adventurous journalists published a weekly political magazine called AL-HAYAH AL-MAGHRIBIYAH [Moroccan Life]. This was an effort to compete with foreign weekly magazines. In the editorial they wrote for their first issue they said that they had used the money they use for their daily expenses to publish the magazine.

Newspaper projects in Morocco do not cease, and the ambitions of Moroccan journalists in this regard are unlimited. However, the main obstacle remains that of the availability of resources, especially printing devices. Journalists are

always complaining about the fact that national capitalists are reluctant to break into this field [and invest in it]. However, they have not given up. One journalist says, "The problem lies in the fact that Moroccan journalists move around from one newspaper to another with plans in their heads for publishing a newspaper. But there is a great deal of difference between dreams and reality."

So far Moroccan journalists continue to dream as they wait for the dream to turn into reality.

8597

CSO: 4504/496

STATUS OF EXPATRIATES EXAMINED

London AL-DUSTUR in Arabic No 249, 30 Aug 82 pp 26-27

[Article by al-Salami al-Hasani: "The Arabs of Corsica: an Undeclared War against Moroccans"]

[Text] Arabs, especially those who come from the Arab Maghreb, who live on the island where 72 explosions happen in one night--that was the night the chairman of the Regional Council was elected--live in fear and in a state of undeclared war. They have been living in fear since last May when these explosions began. In recent days, however, [this violence] has been such that it was revealed that these explosions were aimed at Moroccans and that the reasons for them were racist. This was revealed after officials, the Moroccan Consulate and Royal Air Morocco became the targets of these explosions.

There are about 18,000 Moroccans and a few Tunisians and Algerians living on the island of Corsica. Most of them are farm workers. Despite the economic crisis on the island and despite the fact that unemployment is getting worse, Corsica still needs farm workers because most of the island's population is settled in the cities. Last February the island was swept by a wave of feelings that were anti-Arab and anti-emigrant workers. These feelings did not manifest themselves in anything beyond slogans that were written on walls, perhaps only to threaten. Political forces were then preoccupied with preparations they were making for the regional elections. Two months later, however, the violent attacks on Moroccans began.

The governor of the northern part of the island in Bastia says, "In the beginning we thought that the matter was no more than a disturbance on an island that for one reason or another has more than one incident of violence every day." A few weeks ago, however, the situation became different when acts of violence against Moroccans recurred and no organization assumed responsibility for these terrorist operations. Also French police on the island have so far been unable to determine who is behind these actions. The French police believe--and this is mere speculation--that a few unemployed young men are going out in small groups and attacking Moroccan workers. There are numerous indicators, however, that suggest that these attacks are carefully organized and that the fact that the perpetrators have not declared who they are and that their identities remain unknown are part of this organization. Among these indicators is the fact that the weight

of the explosives that are being used has gradually changed from 50 grams to 600 grams. The targets of these explosions have also changed. Whereas individuals and commercial stores used to be the targets, a few days ago these targets became official places such as the Moroccan Consulate and one of its officers or the office of Royal Air Morocco. This means that these groups which are carrying out the explosions know what they are doing. They are issuing one warning after another to French authorities and to the Moroccan community [in Corsica]. Actually, the fact that Moroccan workers are to be found in only two areas in Bastia--the neighborhoods of (Citadel) and (Vieu Marchais)--has made it easier for these terrorist groups to carry out their operations: they do not have to look for their targets at length and with care.

Everyone has his own private opinion as to the motives and reasons that created this terrorist atmosphere, spread fear among the ranks of the Moroccan community on the island of Corsica and made these groups resort to violence and terrorism. In Bastia AL-DUSTUR met a number of Moroccans and asked them about the reasons for these explosions. Their answers were different and varied. A rather significant number of them believes that the government of Morocco is the target of these explosions for numerous and various reasons beginning with poor relations between France and Morocco and the question of the Western Sahara.

Concerning this latter reason, Banuni, one of the Moroccan workers we met said, "The Corsica Liberation Front is an organization that is trying to gain independence for the island by using force and weapons. It has close relations with those parties that supply the Polisario with weapons and funds. It has nothing to lose by striking at Moroccans and Moroccan institutions." Others, however, think that the people of the island have lived with violence and have used violence to solve their domestic disputes. Violence has come to be a distinguishing feature of their relationship with the central government in Paris. Therefore, they find nothing curious about the use of violence against foreign workers to force them to leave the island which is suffering from unemployment and from an economic crisis.

Banuni also said, "If the only aim of these explosions was to have us expelled from the island, all the islanders have to do is tell us to leave. They do not have to resort to these terrorist methods behind which hide objectives other than those of getting foreign workers out of the island.

French officials on the island do not yet know what the actual reasons for these acts of violence are. In an obvious [attempt to] simplify matters, they classify them as actions by the islanders against foreigners whose presence arouses the islanders' resentment.

French newspapers made casual references to these attacks on Moroccans on the island. This may be due to several reasons, chief among which is the change that came about in implementing the new law that pertains to French provinces, granting them some kind of an independent administrative government. This law is being tested now on the island of Corsica. [Another reason] may also be the interest newspapers have shown in other explosions--those on the island which were directed against French interests, or those in Paris. All those targets are political targets.

However, the principal reason behind this silence in the media--even silence on the part of French officials--about the acts of violence that Moroccans are being exposed to on the island of Corsica is the fact that the government of the French Socialist party is afraid of being accused of antagonizing or perhaps even provoking [feelings of] racism against emigrant workers, especially those from the Arab Maghreb. This is because what is happening on the island of Corsica against Moroccans has also happened in a different way in Marseilles whose mayor is Gaston Deferre, the minister of the interior. French opposition newspapers accused the Socialist party of prodding taxi drivers to attack the neighborhoods of Moroccan workers in the city. However, the case of Marseilles was closed quickly because Gaston Deferre has personal ties with Algerian circles that applied pressure [on the government] so that immediate measures can be taken against the repeated attacks on the Algerian community in the city. After Marseilles there were acts of violence against Moroccans on the Cote d'Azur. These were brought to an end quickly because the mayor of Nice, who is a member of Giscard's opposition, intervened.

In Morocco, most newspapers--both opposition newspapers as well as those that are close to the government--spoke sharply about the acts of violence that Moroccans are facing. They asked French authorities to take necessary and essential measures to protect the Moroccan community so that Moroccans can live in peace and security just as the French community in Morocco does. In Algeria a commentary by the Algerian News Agency warned of the consequences of such actions. The commentator affirmed that racist actions which are still confined to the island may spread to other areas and that that could hurt France's relations with the countries of the Arab Maghreb.

Although French authorities have begun taking precautions in the context of the general protection they are providing against terrorist acts; despite the measures that were announced by President Mitterand; and despite official communications and efforts to stop the explosions and to take legal action against those who perpetrate these actions, an atmosphere of fear and tension is prevailing in the Moroccan community in Bastia. So far, however, that fear and tension have not reached the point of making a large number of individuals in this community decide to leave the island.

In general, the question has now gone beyond that of simple events. It is having an impact on relations between Morocco and France, and it is being considered on the highest of levels. Fears and acts of violence continue to be the topics of the hour in Bastia as people wait for the necessary measures to be taken to protect Moroccans on the island of Corsica.

8592

CSO: 4504/496



## BRIEFS

SINO-SUDANESE COOPERATION--Khartoum, Sept 21 (SUNA)--A Health protocol was concluded here yesterday morning between the Sudan and People's China. Health Minister Dr 'Ali Muhammad Fadl signed for the Sudan, and H.E. the Chinese Charge d'Affaires here signed for his country. According to the protocol, a Chinese medical mission comprising 45 specialists, practitioners and medical assistants would work for the Ministry of Health for two years, a renewable period commencing from the date of signing the protocol, a renewable period commencing from the date of signing the protocol, SUNA learned. The mission will operate at Abu 'Ushar Hospital, Central Region, and in the Southern Region. The Minister commended the Chinese Government for supporting health services in Sudan. [Text] [Khartoum SUNA in English 21 Sep 82 p 2]

SUGAR FACTORIES RENOVATION--Khartoum, Sept 21 (SUNA)--Industry Minister Muhammad Al-Bashir Al-Waqi' returned from Federal Germany yesterday after attending a 10-day seminar on senior management in industry which began on September 9. Commenting on his contacts which were relevant to sugar industry he announced that he signed a contract with two German companies to renovate the Junayd and New Halfa factories. The companies have constructed the factories and will supervise the renovation against a D.M. 35 million loan offered by Federal Germany to this effect. New equipment for the factories will be delivered within three month and the renovation work is expected to be completed in two years. The Minister has also contacted a German company to provide sugar cane harvestors to Sudan's sugar factories and the relevant contract will be signed in the next few days, he said. The company provided Kinanah with the same kind of harvestors. The Minister announced that he then left for London where he contacted the Board of Chairman of Tate & Lyle Company which was recommended by the World Bank as a consultant for the modernization of the sugar sector. The company chairman will visit Sudan in December, said Al-Waqi'. Meanwhile, SUNA learned that the World Bank, the Federal German Credit Bank, K.F.W., the Arab Fund for Economic Development will meet with some government officials here October 10 to discuss the financing of the renovation programme of sugar factories. [Text] [Khartoum SUNA in English 21 Sep 82 pp 3, 4]

SORGHUM FOR DARFUR--The Minister of Finance and Economic Planning Ibrahim Mun'im Mansur has directed the Sudanese Agricultural Bank to hand over 100,000 bags of sorghum to the Darfur Region in order to meet any emergency in Darfur, Kordofan or in the Southern Regions, SUNA learned. [Text] [Khartoum SUNA in English 22 Sep 82 p 10]

FODDER, ARTIFICIAL INSEMINATION--Kassala, Sept 30 (SUNA)--The Animal Resources Department has carried out a project for artificial insemination and fodder in the Eastern Region, announced the Regional Minister of Agriculture and Natural Resources Dr. Hasan Ahmad Habish. The project is, at present, confined to centers in New Halfa, Kassala and al-Qash, he said. The minister said work would shortly begin to implement a project for rural industries to produce cheese adding that his Ministry has earmarked L.S. 40,000 as a contribution to the project. [Text] [Khartoum SUNA in English 30 Sep 82 p 3]

SOYA BEANS CROP--Khartoum, Oct 1 (SUNA)--A reliable source in the Sudanese-Egyptian Company for Agricultural Integration said the company would harvest some 14,200 feddans of Soya beans on the first half of November. He said half of the crop would be locally marketed while the rest would be exported. On the other hand the company would supply the local market with vegetables during Nov. and Dec. he said. [Text] [Khartoum SUNA in English 1 Oct 82 p 1]

NUMAYRI PROMOTES OFFICERS--Khartoum, 13 Oct (SUNA)--President Ja'far Muhammad Numayri has issued a presidential decree promoting Lt Gen 'Abd al-Rahman Muhammad Hasan Siwar al-Dhahab to the rank of general and appointing him deputy commander in chief of the People's Armed Forces and chairman of the People's Armed Forces Provisions Committee. President Numayri has also issued presidential decrees promoting Air Vice Marshal Muhammad Mirghani Muhammad Tahir to the rank of air marshal, and Rear Admiral Yusuf Husayn Ahmad to the rank of vice admiral. [Text] [JN131517 Khartoum SUNA in Arabic 1425 GMT 13 Oct 82]

CSO: 4500/10

OPPOSITION LEADER INTERVIEWED ON STANCE TOWARD ASAD'S REGIME

London AL-DUSTUR in Arabic No 251, 13 Sep 82 pp 20-21

[Interview with Hammud al-Shufi, general secretary of National Alliance for Liberation of Syria, by 'Abd al-Wahhab al-Qaysi "We Are Currently Studying a Plan To Form Syrian Government in Exile; Hawatimah and Habash Cannot Take Stance Against Syrian Regime Because They Receive Orders From Outside Arab Homeland"; date and place not specified]

[Text] Hammud al-Shufi is presently the secretary general of the National Alliance for the Liberation of Syria, an alliance which includes the various opposition factions. Al-Shufi was previously a member of the Syrian Revolution Command Council, the regional secretary of the Socialist Arab Ba'th Party in Syria, a member of the party's Regional Command and Syria's ambassador to Indonesia and India. The latest position he occupied was that of Syria's UN delegate. He resigned in 1979 in accordance with his stance opposing the regime ruling Syria.

AL-DUSTUR has conducted the following interview with Al-Shufi:

[Question] What is the Syrian opposition's evaluation of the ruling regime in Syria and of this regime's stance vis-a-vis the Israeli invasion of Lebanon?

[Answer] In our evaluating the regime, we must examine carefully the nature and identity of this regime. Domestically, it is a regime relying on sectarian forces. This does not mean that all members of the sect to which Hafiz al-Asad belongs are sectarian.

But there is no doubt that Hafiz al-Asad, and a number of others like him within the ruling group, have aroused the fears of the 'Alawite Sect to rally it behind the regime and to force it to participate in the acts of mass terrorism and murder and of the displacement of people, with the hope of creating between this sect and the people a barrier of blood which would be difficult to penetrate in the future. Therefore, this sectarian characteristic of the regime makes it, speaking with utter objectivity, a regime that cannot open up to the majority of the Syrian people and a regime that cannot depend on the support of the people for its survival. When any regime loses support within the country it rules, it becomes compelled to depend on foreigners. This is why we notice that in all the positions it takes, the Syrian regime

merely reflects its interests as a regime that wants to preserve itself and not as a regime that represents Syria as an independent country or Syria's interest as part of the Arab homeland. It is my personal opinion and the Syrian opposition's opinion that the regime has not served Syria's interest. The regime's intervention in Lebanon and its assassination of Lebanon's national figures are an unforgivable crime. Hafiz al-Asad has assassinated leader Kamal Junblat, Riyad Taha, Dr 'Abd al-Wahhab al-Kayyali, Musa Shu'ayb, Al-Atrash and a large number of political and press figures.

The regime has not served Syria's interest because its interest in Lebanon does not lie in the role it has played, namely the role of clashing with the Palestinian resistance and the Lebanese national forces and of supporting one Lebanese side against another. Tightening the noose around the Palestinian resistance and squeezing it between the jaws of a pincer consisting of the Syrian deterrence forces and the Israeli forces is the very conspiracy and the plan drawn up in Washington and Tel Aviv and implemented by Hafiz al-Asad who calls himself "the hero of steadfastness and confrontation."

What is Syria's interest in entering Lebanon and in embarking on the disengagement with Israel at the time when Al-Sadat entered the Camp David accords during the first disengagement agreement and then the second disengagement agreement, which he concluded unilaterally? When Hafiz al-Asad felt that the bandwagon had passed him, he imagined that he could perform some sort of a role outside Syria that would gain for him political prominence and qualify him to enter the disengagement negotiations.

At the time, there was in Lebanon a free and democratic national revolution, led by the martyr Kamal Junblat, with the aim of establishing a progressive secular regime in the country. Because the United States could not intervene in Lebanon at that time, it gave Hafiz al-Asad the go-ahead signal to intervene. Hafiz al-Asad played two cards simultaneously: the Arab card to get aid for the deterrence forces and the U.S. card to bolster his understanding with the United States. Hafiz al-Asad ended the progressive revolution led by Kamal Junblat in Lebanon--a revolution with an Arab bias. It has become well-known that Hafiz al-Asad's role was set the moment he entered Lebanon, namely to claim protect and support of the resistance in the media while containing and striking it, and while walking two ropes at the same time. Moreover, Hafiz al-Asad did not enter Lebanon until after he had reached agreement with Israel through the United States. He has fully implemented the U.S. scheme against the resistance in Lebanon with all its details. He has also drawn a red line--a line which has become well known to the world--that cannot be crossed. Actually, when Israel began its invasion of Lebanon, the world witnessed Hafiz al-Asad's tragic theatrics when his broadcasting stations kept on saying that he is the hero of steadfastness and confrontation while even his allies in the so-called Steadfastness and Confrontation Front branded him a traitor. As a result, al-Asad engaged in a camouflaged battle and then withdrew to open the way to those [invading forces] to implement the preset plan. Hafiz al-Asad is a U.S. mine intended to destroy the Arabs and to demolish their solidarity and unity. His support for the invading Persian Iran against an Arab country, Iraq, is nothing but a plot, a stain of disgrace on Syria's face, a serious precedent never before witnessed in Arab history and a deviation from all the acknowledged Arab values. He has used Lebanon, killed its citizens and destroyed their homes and has then withdrawn in the face of Israel.

Arab Syria must support Iraq, the Arab country fighting on behalf of the Arabs to repel the most ferocious and barbaric attack launched in modern times. Syria must support Iraq as it did in 1963. The current position is in conflict with the Syrian people's interest.

[Question] What is the Syrian regime's interest in this [position]?

[Answer] When a regime loses the people's support, it tries to look for support abroad. Some international forces have an interest in this policy. The regime is reflecting the interest of those instructing it to follow this policy and is implementing a scheme drawn up for it.

[Question] How does the Syrian opposition think under the current circumstance?

[Answer] When the opposition accuses the ruling Syrian regime of being unpatriotic, anti-Arab and anti-Islamic, it does not do so off the cuff because all the regime's actions confirm the soundness of this accusation. The examples are numerous, including the regime's stances toward the resistance in Lebanon. After filling the world with clamor about protecting the resistance, the regime proceeded upon entering Lebanon to strike down the resistance and, in cooperation with the isolationists, caused Tall al-Za'tar [Palestinian refugee camp] to fall.

The regime's actions have been one thing and its propaganda something else. But the masses know everything and know the real picture of Hafiz al-Asad's regime whose positions we have seen in the Arab summit conferences--positions seeking to shatter Arab solidarity.

The Syrian opposition considers this regime hostile to the pan-Arab goals. At the domestic level, the regime has committed against the Syrian people crimes which even Hitler did not commit, which France did not commit [against Syria] during the days of French colonization and which even Zionism has not committed in Lebanon. The demolition of the city of Hamah proves that Begin is a junior student of Hafiz al-Asad's in committing crimes. But Begin commit his crimes against the enemies of Zionism whereas al-Asad commits them against his own kinsmen.

[Question] It has been said that the opposition plans to form a Syrian Government in exile?

[Answer] This is what has been projected and is the subject of study. It is a subject on which a decision will be made shortly. In the near future, the opposition will carry out a decisive act. The government-in-exile plan might be premature should new tasks develop for the resistance against the regime.

[Question] What are the forces participating in the Syrian opposition?

[Answer] The Syrian opposition is the Syrian man-in-the-street. It comprises two currents, namely the pan-Arab current and the religious current. The National Alliance for the Liberation of Syria is the meeting of these two current in a specific charter which has set the alliance's goals, namely to



topple the Syrian regime and set up a democratic multiparty system in Syria. The pan-Arab current is represented by the alliance of the following parties: The Socialist Arab Ba'th Party, the Nasirists and the Arab Socialists. The Islamic current is represented by the Muslim Brotherhood and the Islamic Front. Moreover, the alliance includes Syrian national political figures representing the National Alliance among a number of political organizations and forces which in turn represent segments of the Syrian society. The alliance's strength is derived from the people's hatred for the regime and its sectarianism and from the fact that all bonds between the regime and the people have been severed.

[Question] How has coordination been established between the pan-Arab and religious current?

[Answer] The agreement of the pan-Arab and religious sides to work together within a single front is a basic historical step forward and the first step of its kind in Syria's history. When a national regime is established in Syria, it is natural that Syria will resume performing its pan-Arab role and will be in the vanguard of the Arab line supporting the Palestinian cause. As for the current Syrian stances, they are imposed by the regime and are in conflict with the Syrian people's interest and undermine their reputation. I say that our goal behind toppling the regime is to free Syria of the treason of its ruler who is deeply involved in the suspect schemes inspired in the area by Zionism and the United States.

[Question] Will the opposition carry out decisive action against the regime in the near future?

[Answer] The meeting between the pan-Arab and religious currents is an important step in the direction of toppling the regime. Syria will witness surprises and it will not be long before the real Arab Syria returns to its nation. The opposition realizes that every passing day under the shadow of the present regime means more blood, murder and terror. The regime has been able to survive in power for a long time because it has confronted the Syrian parties, separately party after party. The regime started with the Socialist Arab Ba'th Party, many of whose members have been in the regime's jails since 1970 and others who have been exposed to terrorism and murder. The regime then proceeded to clash with the Nasirists and the socialists.

[Question] What is the Syrian regime's position toward the Communist Party?

[Answer] Hafiz al-Asad's position toward the communists is divided into two parts: Khalid Baqdash's communists who support the regime "blindly" and who, in our evaluation, are a part of the regime and have no position independent of it. There is also a large opposing wing of the Communist Party led by Kamal al-Turk. The opposing Communist Party is a part of the Syrian opposition and many of its cadres and strugglers are in jail. The Communist Party's Political Bureau is a partner in the alliance.

[Question] In the wake of the events in Lebanon and of the position of the Steadfastness and Confrontation Front, do you think that the Steadfastness and Confrontation Front has dissolved?

[Answer] The so-called Steadfastness and Confrontation Front is a sort of manipulation of the pan-Arab cause and of playing with words and slogans. I believe that the Steadfastness and Confrontation Front has dissolved, unless the Syrian regime has come up with a new theatrical Steadfastness and Confrontation Front dissolution when manipulation in the Arab arena ends.

The Palestinian resistance alone has ended the "steadfastness and confrontation," has mocked its symbols and has, with its struggle, wrenched the card from those who exploit the cause. Hafiz al-Asad, through his strategic alliance with the feverish charlatans of Tehran and their chief charlatan Khomeyni, has given these charlatans the opportunity to exploit the Palestinian cause and to liberate Palestine with Zionist weapons arriving steadily in Tehran from Tel Aviv! What is required of the resistance is to abandon its silence because silence harms it now. It is important that the resistance expose those exploiting the Palestinian cause and betraying the pan-Arab cause. The resistance is required to tell the world what it says about Hafiz al-Asad and his actions in its private meetings. It is also required to take a position vis-a-vis his plots against it. As for Nayif Hawatimah and George Habash, they cannot take a stance against the Syrian regime because they receive orders from outside the Arab homeland. Regrettably, some of the resistance forces are floundering, especially insofar as their position toward Iran is concerned. Is it in the interest of the Palestinians to stand against an Arab country and to support a foreign country which has fought the Arabs throughout history? What has Khomeyni offered them other than exploiting the Palestinian cause? Did he offer them Israel's embassy in Iran only to demand that they pay the cost of the water, electricity, telephone and telex services the Israelis had used?

[Question] How does the opposition view the Syrian regime's alliance with Khomeyni?

[Answer] The Syrian people's position is with fraternal Iraq. Many Syrians have expressed this position by volunteering with their Arab brothers to fight with Iraq against the charlatans in Tehran and Qom. Were Syria liberated, it would support nobody but Iraq. Were Syria liberated, the war would not have broken out to start with. The sectarian regime in Syria, which relies on external foreign support, has no support whatsoever at home, and wants to stay in power by supporting Khomeyni's regime. The mere survival of the pan-Arab regime in fraternal Iraq is a real threat to the Syrian regime which has persistently tried to deepen the rift between Arabism and Islam and has tried to provoke sectarian tendencies with the aim of preserving its existence. This regime has adopted a scheme to divide the Arab homeland into sectarian ministates. But it will fail because the 'Alawites, whom the Syrian regime wants to exploit, are part of our Arab Syrian people and our Arab nation and they reject the regime's scheme in part and parcel. A number of them have contacted the resistance movement to denounce the Syrian regime's actions.

8494

CSO: 4404/709

ANTI-JEWISH INCIDENTS REPORTED IN SOUTH

Paris AFRICA AFP in English No 2938, 5 Oct 82 p 11

[Text] Tunis, October 2--The Tunisian Government acknowledged this week that anti-semitic incidents took place in the southern Tunisian towns of Zarzis and Ben Gardane after three days of silence, despite widespread talk here of the attacks.

The incidents reportedly occurred Monday but the government statement was not released until Thursday. Meanwhile, residents of Tunis deplored the incidents though no one was sure exactly what happened in these two towns near the Libyan border.

The government communique said that "several isolated altercations which caused neither victims nor property damage" took place recently in Zarzis and Ben Gardane. "Minor incidents" took place between Jews and demonstrators, it said.

Travelers from southern Tunisia have said the demonstration was on Monday and was pro-Palestinian.

In the official version of the incidents, security forces stepped in quickly since "the Tunisian government has always looked out for the security and quietude of its Jewish community."

But according to rumors houses were sacked and Jews were beaten up in what some have called a "mini-pogrom."

The rumors remain just that, and a phone call to an official in Zarzis revealed only that "something happened, a police investigation is in progress."

Press Alerted

First reports on the incidents came from Europe where Tunisian or ex-Tunisian Jews alerted the press.

Police reportedly prohibit public assemblies of more than three people in the two towns.

But from reports it appeared that several pro-Palestinians, some from hard-line opposition groups got carried away during a demonstration against the massacre in mid-September in the Palestinian refugee camps of Sabra and Chatila south of Beirut. They then attacked several Jewish homes in the two towns, burning both cars and houses.

Some houses were sacked and their occupants beaten up.

The Jewish community in this country, a swelling 80,000 in 1956, is today only about three or four thousand, not enough to fill the six synagogues in the capital.

An interesting note on the atmosphere here was one high official's reaction to anti-Israeli advertisements taken out by Jews in the Tunisian press after the West Beirut massacres.

"This is good but just the same it hurts me that Tunisian Jews think they have to watch their step. I ask you, where do they think they are," the official said. (A.F.P.)

CSO: 4500/15

CENTRAL BANK PLANS TO TRANSFORM ABU DHABI INTO FINANCIAL CENTER

Paris AL-MUSTAQBAL in Arabic No 290, 11 Sep 82 pp 40-41

[Article: "UAE Central Bank Transforms Abu Dhabi into Financial Center for Gulf"]

[Text] The UAE Central Bank has started its plan to transform Abu Dhabi into a main financial center in the Gulf area. This plan calls for: 1. Establishing a major money market in the UAE. 2. Setting up a local stock exchange. 3. Encouraging international commercial banks to open branches in Abu Dhabi.

The UAE Central Bank was founded in November 1980 to replace the previous Currency Council. Recently, the bank started to tighten its control over the commercial banks in the country through a control agency it has set up for this purpose. The bank has set December 1982 as the final date for the local and foreign banks to present all the information requested by the control agency on the positions of these banks.

Upon completing this step, the bank intends to set up a major market to invest and deal in gold, stocks and bonds and to also deal with the international money markets.

The Central Bank has allocated vast sums to implement this plan. The bank is working currently to apply the final touches to a new bill concerning companies which would facilitate the foundation of public limited-liability companies, keeping in mind that most of the public companies are currently found in Sharjah and Umm al-Qaiwain where stocks are exchanged unofficially.

The bank expects to be able to issue certificates of deposit and shares at the beginning of 1983 and, consequently, to be able to encourage the international organizations to borrow from Abu Dhabi.

The bank also seeks to encourage the commercial banks to open branches in Abu Dhabi. This constitutes a fundamental change in the UAE's current policy which calls for not permitting foreign banks to operate in the country. The Central Bank sets a main condition for foreign banks planning to open branches in the UAE, namely that their capital not be less than \$50 million. However, the bank will maintain the restrictions imposed on remittances to the outside world.



It is to be noted that the UAE Central Bank owns reserves within the limits of \$2 billion, keeping in mind that Abu Dhabi's main foreign assets are supervised by the official Investment Authority in the emirates and that this authority's reserves amount to \$20 billion. The authority invests more than 80 percent of these reserves abroad, especially in the United States, West Europe and Japan.

8494

CSO: 4404/709

END

**END OF**

**FICHE**

**DATE FILMED**

